

THE TIMES

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Hospitals to get more consultants

Hospital consultants will see more patients in future after the Government's decision to accept most of the recommendations of the Short report on medical education and double the number of consultants. Britain has now about 14,000 consultants and 26,000 junior hospital doctors. The Government claims to reverse this by the 1990s. Page 3

Iran releases Andrew Pyke

Iran has released from prison Mr Andrew Pyke, the British businessman held 17 months without trial. He is now staying at the Swedish Embassy in Tehran and hopes to leave the country when formalities are completed later this week. Back page

Leyland strike costs £30m

The future of Leyland's bus and truck factories at Leyland and Chorley is being jeopardised by a 13-day strike which cost the company £30m last month. Mr Ronald Hancock, the chairman, says. Union leaders meet today and workers vote tomorrow on whether to continue the strike. Page 4

Coal subsidies to continue

The Government has given up the hope of abolishing coal subsidies. Outgoing Coal Industry Bill, Mr John Moore, junior energy minister, said that direct subsidies could total up to £941 million over the next two years. Page 13

Labour-SDP hint by Sirs

Labour might have to form a coalition government with the Social Democrats after the next election, Mr William Sirs, the steelworkers' leader, said. He hoped for a Labour victory, but congratulated Mrs Shirley Williams on her return to Parliament as MP for Crosby. Page 6

Curb on students

Alarmed at the possibility that universities might become centres of unrest, the Polish military regime has imposed stringent regulations on students and staff, including curfews in Eastern Europe since Stalinist days. Page 6

New archbishop

Father Maurice Couve de Merville, 52, a French Roman Catholic chaplain at Cambridge University, is to be installed Archbishop of Birmingham on March 25. Page 10

Painting stolen

Two thieves walked out of the Courtauld Institute, in Bloomsbury, London, with a £300,000 painting and fled into the rush hour in a taxi. The small Breughel was one of the least valuable on show. Page 2

Armagh bombs

Ulster security forces will attempt today to defuse an estimated 500-600lb of explosives found packed into creamery cans near the village of Camlough, in south Armagh. Page 2

Laker buoyant

A buoyant Sir Freddie Laker said that he had raised the stakes to end his airline's financial troubles. Bankers, however, appear to think him premature though talks are understood to be progressing satisfactorily. Page 13

Bristol deadline

The deadline expires at noon today for the eight players Bristol City must find to survive. If they refuse to go, the club will fold. Page 17

Focus on Nigeria

How is President Shugu Shagari holding together this 19-state federation two years after the return to civilian rule? From oil and foreign affairs to the green revolution, a 16-page Special Report investigates the prospects and dilemmas facing Africa's richest and most populous nation. Page 9

Letters: On air fares, from Lady Burton of Coventry, and Mr Peter Martin; Lloyd's BHL, from Sir Philip de Zulueta

Leading articles: Treasury and pay policy; Mr Prior and Irish policy

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Mr Pym raises the stakes, by Peter Stothard, the snob spoof

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Aslef spurns inquiry and escalates strikes

By David Felton, Labour Reporter

The crisis on the railways deepened dramatically last night when the train drivers union refused to appear before a committee of inquiry and instead announced an escalation of its programme of selective strikes.

Next week, there will be one day strikes on Sunday, Tuesday and Thursday. British Rail executives believe it will be difficult to run a reasonable service next Wednesday and will decide tomorrow whether to attempt to run one at all. The network will be shut today and tomorrow as the union holds its fourth 48-hour strike.

The seven members of the executive of the Associated Society of Locomotive Engineers and Firemen rejected an appeal from Mr Len Murray, general secretary of the TUC, to give their evidence to the inquiry, which was set up under the auspices of the Advisory Conciliation and Arbitration Service.

BR, along with the other two unions, the National Union of Railwaymen and the Transport Salaried Staffs Association have agreed to cooperate with the committee of inquiry, which is to be headed by Lord McCarthy and which will sit for the first time this afternoon.

The inquiry, which will reach its decision without evidence from Aslef, is to report possibly by the end of the weekend. Mr Pat Lowry, chairman of Aslef, said last night that he had heard Aslef's decision with great regret, but said that the inquiry would still go ahead.

BR will continue its policy of not paying the 3 per cent increase which Aslef demands until Aslef indicates that it is prepared to agree to flexible rostering.

The inquiry team comprises the members of the Railway Staffs National Tribunal, which last August recommended the two-stage 11 per cent pay award which was the springboard for the current dispute.

The other members of the inquiry are Mr George Doughty, a former general secretary of the Technical Administration and Supervisory Section of the Amalgamated Union of Engineering Workers, and Mr Ted Choppin, a former managing director of Esso.

The committee was set up under powers that Aslef made and will be required to report "as a matter of real urgency".

Aslef's reference will be to the terms of the 1981 pay and productivity understanding ratified as agreements by the Railway Staffs National Council and, taking into account the agreement to introduce a 29-hour week, to make recommendations to resolve the differences over the payment of the further 3 per cent pay increase to foistable grades and over clause (c) of the productivity understanding on flexible rostering and related matters.

Last night Mr Murray said: "Naturally I regret today's decision by the executive council of Aslef, but I still hope that, on reflection, they will find themselves able to use the opportunities opened up by the establishment of the independent committee of inquiry".

And, before Aslef's decision was known, Sir Peter Parker, BR chairman, said that the community had to choose between an efficient railway or condemning the system and its workers to a future of frustrating uncertainties. "That choice lies at the heart of our present dispute. The board stands firm on its belief that there is a future for the railway not only for an efficient railway".

He said that Freightliner business was down 70 per cent because of the strike and parcels traffic had been reduced by 80 per cent.

ing in preparation for the Thursday strike.

When the British Railways Board meets tomorrow it will be under pressure to take strong retaliatory action. It may decide to suspend the 20,000 train drivers on Wednesday or take a more draconian measure such as the suspension of other staff not involved in the dispute.

Moderates and militants on the Aslef executive combined to reject the inquiry proposals. One said: "We've hit the ball into their court, we now have to wait and see what they do". The executive is expecting BR to adopt a tough stance, but moderates made it clear that they could not afford to cooperate with the inquiry because of the backlash it would provoke from their members.

The membership is adamant that the dispute cannot end until the 3 per cent is paid without productivity strings. We might just get this wrapped up by Christmas", said one executive member.

Mr Clifford Rose, BR's board member for industrial relations, said the Aslef decision shows a clear lack of confidence in their case and lack of consideration for their customers who after all pay their wages at the end of the day. "Let's hope that despite their refusal to cooperate with the inquiry that they are not impervious to commonsense and reason".

Dozier, a sort of embarrassed guy

General James Dozier's 42-day ordeal as a hostage of Italy's Red Brigades was heightened, he told a conference in Vienna yesterday, by being forced to wear earphones and listen to hard rock music which he dislikes. But he also said "Well, folks you are looking at a sort of embarrassed guy" because he ignored warnings from the Italian police.

All through his captivity he was chained by the left foot and right hand to the central pole of a four-square yard tent. With the blinds drawn he could not tell night from day. The tent was lit constantly by a 40-watt bulb.

He played cards alone or read books such as George Orwell's "1984" which he had in his hand when police stormed the Padua apartment where he was held.

Press conference, page 6

Dearer money upsets Reagan hopes

From Bailey Morris, Washington, Feb 2

The decision by United States banks to raise their prime lending rates is fueling new fears in the Reagan Administration of another interest rate spiral which could halt the predicted economic recovery and generate a string of new bankruptcies.

Neither White House officials nor top Treasury Department aides would comment publicly on increases in the prime rate from 15 1/2 per cent to 16 1/2 per cent, announced by several banks.

Privately, however, officials said increases in the rate banks charge their leading business customers had been expected which the Reagan Administration has escalated its attack in the past two weeks against "the erratic policies" of the Federal Reserve Board.

Concern about the effects of the interest rate rise was shared in Europe, where higher interest rates could stifle any hope of an economic upturn.

European markets responded to the American move by marking the dollar up sharply in early trading and in France it broke through the six dollar barrier. There was later a rally by the European currencies and central banks stepped in to make it clear that they did not want European interest rates to rise in step with America. But the big Swiss banks raised short term rates.

In Washington yesterday, before the announced increases in the prime rate, Mr Beryl Sprinkel, Under Secretary of the Treasury, continued the attack on the Federal Reserve, saying the volatile money supply rather than the threat of big deficits was pushing interest rates higher.

Mr Sprinkel, echoing remarks by both President Reagan and Mr Donald Regan, the Treasury Secretary, said if interest rates continued to climb, the success of the Administration's overall economic programme would be in doubt. But Mr Paul Volcker, the independent chairman of the Federal Reserve Board, has rejected these statements, blaming uncertainty in the financial markets on the "prospects of huge federal deficits".

He said last week that an increase in the prime rate of more than 100 basis points (10 per cent) was not the answer to the economic recovery programme, nor the monetary policies of the central bank.

Meanwhile, further increases in the prime lending rate are predicted.

Reasons for this include: A sharp rise in short-term interest rates since December; an increase yesterday by three New York banks in the broker loan rate charged to stock brokers for short-term loans; and the recent, unexpected surge in the money supply which has prompted new fears of inflation.

The prospect of widespread increases in the prime rate has prompted both politicians and businessmen to warn of a big rise in bankruptcies in coming months among small and medium-size businesses.

A group of Democrats in the House of Representatives, for example, has received new information of possible bank failures among stable insurance companies which have made some bad loans. The Democrats, members of the budget and finance committees, declined to name the companies.

There is also concern among bankers of a big rise in bankruptcies among hard-pressed construction companies and smaller manufacturing companies which have been forced to obtain credit in the past year at very high rates.

Fears of another possibly prolonged climb in interest rates prompted Mr Ed Meese, Counselor to the President, to suggest a meeting between Mr Reagan and Mr Volcker, which could come as early as next week.

Tory revolt cuts sick pay savings by £65m

By Anthony Bevis, Political Correspondent

A Conservative backbench revolt in the Commons yesterday sliced £65m from the Government's planned savings for 1983-84.

The Government's economy measure was defeated during the committee stage of the Social Security and Housing Benefits Bill, which transfers payment of statutory sick pay from the state to employers from April next year.

The legislation proposed that employers would become liable for national insurance contributions on the transferred payments, and it was this side-effect which provoked yesterday's Tory revolt.

Mr Richard Shepherd, Conservative MP for Aldridge-Brownhills and leader of the rebellion, said that under the present arrangements employers' without occupational sick pay schemes did not pay contributions for absent employees.

According to Department of Social Services figures, employers would have had to pay £35m in contributions and an additional £15m in surcharge.

An amendment, tabled by Mr Shepherd, wiped out that £50m and, also deleted £15m currently paid for employees who receive full pay when away from work.

The Shepherd amendment was carried by 15 votes to seven, with six of the committee's eight Conservatives voting against their own frontbench. The rebels were Mr Shepherd; Mr Richard Alexander; Mr Jack Aspinwall; Mr Kingswood; Mr Thomas; Mr Benn; Mr Abington; Mr Michael Brown; Mr Briggs; Mr Sturt; and Mrs Sheila Faith-Belner.

Mr Shepherd said last night: "This is a victory for employers and for the Government's policy of reducing the burden on the taxpayer. It is a victory for the Government's policy of reducing the burden on the taxpayer."

Continued on back page, col 3

Pym stands by his cautious speech

By Philip Webster, Political Reporter

The Government was in acute embarrassment yesterday over the gloomy assessment by Mr Francis Pym, who has overall responsibility for the presentation of its policies, about the nation's economic prospects.

It was admitted openly in Government quarters that Mr Pym's speech on Monday night and the prominence some newspapers are giving it, had upset Mrs Margaret Thatcher at a time when she and her senior ministers had been attempting to convey a more optimistic view of the country's economic prospects.

As Mr Pym, Leader of the Commons and Lord President of the Council, expressed surprise at the furore his remarks had caused and denied that the Government was speaking with two voices, Mr Michael Foot, Leader of the Opposition, seized upon the opportunity to add to the Cabinet's discomfort by asking Mr Thatcher whether the speech represented Government policy.

In his speech to the Allied Brewery Trades Association, Mr Pym had ruled out any early reduction in unemployment, forecast a long-term struggle to maintain present living standards, and suggested that public expectations were too high.

Sharp comparisons were immediately drawn with the speech of Sir Geoffrey Howe, Chancellor of the Exchequer, in the Commons last Thursday which, although containing a warning that the recovery could be held back by rising American interest rates, nevertheless emphasised in its personal all the signs of improvement in the economy of which the Government is anxious to make the country aware.

Mr Pym's main sin, in the eyes of Mrs Thatcher, was that he approved the release by Conservative Central Office of extracts of his speech which made little of the good news and much of the bad.

It was explained that the full text of Mr Pym's speech was regarded as less damaging and that Mrs Thatcher was in agreement with its message, that public expectations of rising living standards must be tempered by the changed world economic situation resulting from two oil price explosions.

Mr Pym quickly accepted an invitation yesterday to go on radio to explain his position more fully, a decision that Mrs Thatcher welcomed but did not prompt.

On BBC's World at One programme he insisted that there was no stark contrast between himself and Sir Geoffrey, referring to the Chancellor's speech in Cambridge.

Continued on back page, col 5

Economy forecasts compared

The main problem facing exporters and importers is the uncertainty of the survey in their inability to set more realistic prices on foreign markets, a situation aggravated by the value of the pound and the high level of domestic costs. Sir Terence said: "Of our most labour competitive, compared with our trading rivals, is still about 35 per cent worse than it was in 1975."

TUC package, page 2

Business Editor, page 15

Employers see no recovery

By Edward Townsend, Industrial Correspondent

Employers' leaders yesterday clashed with the Government over the state of the economy. Sir Terence Becker, director general of the Confederation of British Industry, said: "I see no evidence that the recovery is under way."

In sharp contrast to the optimistic views being expressed by senior Cabinet ministers, the CBI believes that manufacturing output and demand will not rise above its present depressed level before the summer.

Sir Terence, introducing the results of the CBI's latest quarterly trends survey, gave a warning that 42 per cent of companies expected to cut jobs in the next four months. While the rate of increase of unemployment is expected to slow down, the CBI predicts that if the Government persists with its present policies there will be 3,250,000 out of work by the middle of the year.

The CBI's particularly gloomy predictions, based on investigations among 1,700 manufacturing companies, coincided with a call from Mr Len Murray, general secretary of the TUC, for a national economic assessment involving a concerted plan of action by Government, trade unions and employers to bring the country back to full employment.

Mr Murray, who was launching the TUC's 1982 economic review, promised a new deal with the Government if it would accept the union's proposed £8,300m state-funded reflationary package.

The CBI survey shows that while there has been a slight increase in business confidence in recent months and a rise in companies' investment intentions, capacity use is unchanged and 93 per cent of firms expect their output to be constrained by continuing shortage of orders and sales.

Sir Terence added: "The lack of any significant improvement is particularly disappointing for the three million who are unemployed and who are looking to industry for some hope of an upturn. I believe there is a glimmer of light at the end of the tunnel but there is still a long way to go."

The survey, regarded as a key indicator of industry's prospects, came as the CBI publishes its detailed Budget submissions to Sir Geoffrey Howe, the Chancellor, yesterday.

The employers' organization is seeking the injection of about £2,000m into the economy and urge the Government to help industry's competitiveness by cutting the National Insurance surcharge and local authority rates, give greater assistance on energy costs and reduce interest rates.

The CBI believes that single-figure inflation is a long way off. It predicts a level of 10 per cent by the end of the year. Even this is dependent, Sir Terence said, on continuing wage restraint and on the pricing policies of nationalized industries.

Profitability in industry appears to be improving, but from unacceptably low levels, and the CBI expects companies' average rate of return to rise this year by only 1 per cent to 3 per cent. Sir Terence said an economic turnaround would not occur until industry's real rate of return was higher than real rates of interest.

Investment intentions have become less weak for five successive CBI surveys. He added, confirming that the low point in spending was not far away.

On the vital export front, the survey shows that only a small balance of 6 per cent of companies are more optimistic about their prospects in the coming year and most firms expect the volume of new overseas orders and deliveries to remain static in the next four months.

Vice-President Bush in security scare

Mr Bush stoops to enter his car, surrounded by secret service agents.

From Nicholas Hirst, Washington, Feb 2

Secret Servicemen and agents of the Federal Bureau of Investigation were thrown into a flurry of activity early today when it was feared that a bullet had struck Vice-President George Bush's armoured limousine on his way to the White House. Police helicopters circled and streets were sealed off around the scene of the incident near a construction site in Central Washington before the FBI determined that the object which struck Mr Bush's car was almost certainly not a bullet, but a rock, possibly a stone falling from a building.

Security was unusually tight as the Vice-President arrived at the Capitol. When asked if he knew whether his car had been the target of what the Secret Service and FBI had termed a "projectile", Mr Bush said "No".

The security services were naturally nervous following reports late last year that a Libyan hit squad might be in the United States attempting to assassinate President Reagan or his top aides.

Checking out the trolley

By Hugh Clayton, Environment Correspondent

Grocers are keen to banish two of the most distasteful features of the modern urban landscape: the multi-storey car park and the supermarket trolley. Their researchers have told them that both are ill-suited to modern shopping habits.

The shopper of the 1980s tends to resent car parks with long queues, and often steals the trolley. Families rely more on their cars for shopping, make fewer shopping trips and buy larger loads on each trip. The route from shop to car often takes them up a cramped concrete staircase which winds in semi-darkness round the shaft of a lift which does not work.

The growth in do-it-yourself decoration, has stimulated demand for convenient means of carrying tools and paints. Supermarket trolleys are ideal for the task, and also make handy incinerators for burning garden rubbish.

Sainsbury, the largest supermarket chain in Britain, has already announced that it would almost certainly close shop sites which lacked space for large car parks on one level. A new supermarket to be built by Sainsbury's at Islington, north London, will have an outdoor car park on a site occupied by 25-year-old blocks of flats which are to be demolished.

"The things people do in the lifts of multi-storey car parks are beyond understanding," Mr Peter Davis, assistant managing director, said. "We do not think you have to encroach on new country areas to create shopping. There are plenty of urban sites that are not being used."

He conceded that the trolley problem was more forbidding, and that no alternative was in sight. Customers at the company's 250 supermarkets used about 100,000 trolleys which cost about £35 each. They were constantly having to be replaced despite the use of teams of full-time collectors.

"We have had them thrown off the tops of multi-storey car parks," Mr Davis said. "At any market you go to on a Saturday you see stallholders with trolleys stacked from Tesco and ourselves."

Trolley theft is turning into a new form of shoplifting in the early days of supermarket trading, people stole the goods on the shelves. Now they sometimes pay for the food and steal the trolleys. After a succession of price wars, supermarkets cannot afford to pay staff simply to load customers' purchases into their cars.

While grocery pricing policies have lurched from one gimmick to another, there has been little innovation in trolleys. Baby racks have been introduced, and the original 30-litre trolley has been superseded by larger models better suited to modern shopping expeditions. But the thing remains the same wire cage on awkward wheels of 10 years ago.

The company is experimenting in some southern stores with slot machines which collect 10p from each customer before unlocking a trolley, giving it back when the trolley is pushed onto a special lock in the car park. The experiment has shown that some customers are happy to forego 10p in order to acquire a £35 trolley.

TUC offers £8,300m deal on jobless to Thatcher

By Paul Rountledge, Labour Editor

Trade Union leaders are offering Mrs Margaret Thatcher's Cabinet a "new deal" involving their cooperation with Government and employers if Sir Geoffrey Howe, the Chancellor, takes up an £8,300m state-funded Programme for Recovery.

Mr Len Murray, the TUC general secretary, yesterday unveiled the TUC's 1982 Economic Review and said the policy document had already been sent to the Treasury. The unions intended to challenge the Chancellor "face to face" with their package proposals.

"But it could also be the basis for a new deal between the Government, the TUC and employers to plan the path back to full employment through a national economic assessment and detailed discussions between unions and management leading to agreement on what needs to be done in individual companies", he said.

Mr Murray's bold political initiative is likely to be greeted with some surprise. The tide of opinion among union leaders is running in favour of an end to all tripartite links with the Government and employers in retaliation against Mr Norman Tebbit's labour law reforms.

The TUC will urge the Chancellor to reflate the economy by pumping in £8,300m state cash to push growth up to 4 per cent in 1982-83, admittedly at the expense of a 1 per cent rise in the rate of inflation.

For the first time the TUC has used the Treasury's own economic forecasting model to test the effect of its Budget proposals. "The results are a challenge to the Government", the document argues.

The union package (see table) divides into four roughly equal zones: £2,000m to pay for a reduction in VAT from 15 to 12½ per cent; a similar amount for capital spending in the public sector; £1,700m for manpower, training and education; and £2,600m spread among the National Health Service, pensions, social benefits, and help to both private and public sector industry.

The TUC calculates that £200m is enough to enable nationalised industries to avoid big price increases, and a further £750m to increase retirement pensions to the target level of £37 a week for a single person and £50 for a married couple.

As well as making recommendations to the Chancellor on how much he should give away in his Budget, the TUC seeks to demolish three economic theories popularized by ministers: that workers are "pricing themselves out of jobs"; that young people cannot get work because they seek "too high wages"; and that British productivity is greatly improved by the shake-out of jobs.

Programme for Recovery says: "The Government has attempted to pass on the blame for the rise in unemployment by claiming first that workers have been 'pricing themselves out of jobs' and second that many workers are voluntarily unemployed as the level of unemployment benefit is too generous."

The TUC's £8,300m Budget package	
Programme	Cost for 1982-83
Public sector capital investment	£2,000m
TUC manpower, education and training strategy	£1,700m
Public sector investment	£800m
Nationalised industries' current spending	£200m
State pensions	£750m
Social benefits	£700m
Additional resources for local authorities	£225m
Additional NHS funding	£350m
Reduction in VAT from 15 to 12.5 per cent	£2,000m
Total budget expansion	£8,300m

Improvement in the economy using the TUC's policies

	3.7 per cent higher than on present policies
Economic growth	
New jobs	An extra 677,000 jobs would be created or saved
Unemployment	Registered unemployment would fall by 574,000
Investment	Public sector investment would increase by 14 per cent. Private manufacturing investment increases by 6.9 per cent.
Personal consumption	Consumption would rise by almost 1 per cent
Exports	Exports of goods and services would be 0.1 per cent higher than on present policies
Imports	Imports would be 0.6 per cent higher than on present policies
Balance of payments	£232m lower than on present policies
Exchange rate	3.9 per cent lower than on present policies
PSSB	£28 million lower than on present policies
Inflation	Rises by 1.1 per cent

Government accused of vetoing oil 'bargain'

By Our Political Editor

The Government was accused yesterday of neglecting the national interest by vetoing "for ideological reasons" the purchase at a bargain price by the British National Oil Corporation of a valuable North Sea oil interest.

The charge was made in the Commons standing committee examining the Oil and Gas (Enterprise) Bill, which will transfer North Sea oil production to the private sector.

Mr Edward Rowlands, an opposition spokesman on energy, referring to Labour fears that foreign interests might take control of the new company, Britoil, in which the Government and a minority holding, cited what he called "the scandal of the Santa Fe concession".

The reference was to the purchase by the Kuwaiti national oil company of a part interest in a North Sea exploration group which BNOIC in 1980 sought government permission to buy. They were refused by Mr David Howell, then Secretary of State for Energy, "with very much regret", although he said he was conscious of the potential benefits which the deal might bring.

The Times has seen copies of letters between Mr Howell and Mr Ronald Utiger, former chairman of BNOIC, which show that BNOIC wanted government clearance before clinching an offer by an American company, Santa Fe, to sell half of

its 22.5 per cent interest in the Halibut Group. BNOIC was the operator for the group, but had only a 24 per cent stake. The United Kingdom share of the group was only 35 per cent, Mr Utiger explained. "I believe that both from the commercial point of view and given the chance of increasing by a small amount the British share of reserves, we should pursue this opportunity", he wrote.

The purchase would cost not more than £7m to £10m, for which the cash could be found within the existing budget of the highly profitable corporation.

Mr Howell's brief reply, a month later, referred vaguely to "certain policy issues". BNOIC which was still to be settled, and said that the corporation's external financing requirement for 1980-81 was causing "certain problems" for the public sector borrowing requirement.

Mr Utiger, writing again, expressed his surprise at those reasons. As for policy issues, he said, any possible option for introducing private capital argued in favour of active government involvement.

Mr Howell's second point was "equally difficult to understand", he continued, since the corporation had no external financing requirement for 1980-81 and would be making a substantial contribution to public funds.

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100 Irish families flee huge land mine

From Richard Ford, Belfast

A hundred families were evacuated from their homes in the border village of Camloagh, south Armagh, last night after the discovery of a land mine believed to contain about 600lb of explosives.

They were found packed into three creamery cans on the Camloagh to Newtown Hamilton road, 300 yards from the village. The explosives were primed to be detonated and security forces cordoned off the area.

The land mine was also near St. Malachy's Primary School and pupils will not be at lessons today while security forces defuse it.

Across the border the Irish police discovered more hidden explosives yesterday after six successive days of arms and ammunition seizures from border dumps.

The latest haul came as a farmer was reminded in custody in Dublin after a week-end of finds which brought the seizure since January to more than 60,000 rounds of ammunition and 10 rifles. Patrick Corrigan, aged 43, of Killybeg, Emyvale, co Monaghan, in the republic, was remanded in custody until the end of February on six charges of illegally possessing firearms.

Mr James Mitchell, the republic's Minister of Justice, congratulated the police for work which should quieten the region and totally wring the legation from Northern Ireland that the republic is a haven for terrorists. Mr Mitchell estimated that the attempt to defeat terrorism was costing the republic £100m a year, not including damage done to tourism.

Police in the republic are reaping the reward in tip-offs of a public backlash against the activities of IRA terrorists after the death of a young man on New Year's Day from wounds received in a "punishment" shooting. Gabriel Murphy, aged 27, an hotel worker, was shot by a group of masked men at his home near Emyvale, the location of the farm dump.

The hauls began on January 17, when between 600 and 700 rounds of ammunition were discovered in the Scottstown area of co Monaghan. The hauls were successful. It had been near Emyvale, a village three miles from the border.

The seizures are a blow to the Provisional IRA terror campaign.

Mrs Bernadette McAliskey, formerly Miss Devlin, is standing as a candidate in the Dublin North Central constituency of Mr Charles Haughey, leader of Fianna Fail, in the forthcoming general election.

The intervention of the former Minister of the Environment, Mr P. J. Ross, MP for mid-Ulster is unlikely to harm Mr Haughey, who polled 17,637 first preference votes last June. That was the highest number recorded for any candidate in the general election.

The list of arms seized recently is as follows: Jan 17: Scottstown, co Monaghan, 600-700 rounds.

Jan 28: Scottstown, ammunition and an Armalite rifle.

Jan 29: Scottstown area, 450lb of explosive mixture.

Jan 30: Emyvale, co Monaghan, blast bombs, detonators, gelatin, and other components, including timing devices.

Jan 30: Duindalk, co Louth, seven primed mortar bombs.

Jan 31: Emyvale, 50,000 rounds, seven rifles, including a Lee-Enfield, a Smith and Wesson, and various ingredients for making explosives.

Jan 31: near Clones, on the Monaghan-Fermanagh border, a booby-trap bomb with wires leading to a firing point south of the border.

Feb 1: Emyvale, about 200ft of cortex used to detonate explosives.

Feb 2: Duindalk, seven primed rockets.

Feb 2: Emyvale, 30lb of explosives.

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DE LOREAN CRISIS 'RISK TO UK JOBS'

Mr Don Connamon, Labour's spokesman on Northern Ireland, said last night that the troubles at the ailing De Lorean car plant could put 3,000 jobs in England in peril.

Component suppliers in Sheffield, Bristol, Wolverhampton and Birmingham were among those threatened, he claimed.

He fears that the effects of the De Lorean car maker's crisis, with 1,100 redundancies looming, could reach the mainland.

However, Mr Connamon was optimistic that the review of the company's financial affairs by government-appointed consultants would show that it still had a future.

The Labour MP for Mansfield, who had been on a fact-finding mission in the province with Mr Michael Foot, met union leaders in Belfast yesterday to discuss the crisis.

He said 2,000 companies were directly involved. The 3,000 jobs at stake included some at British Steel, in Sheffield, he said.

His party would support the De Lorean project if the consultants' report showed it to be economically viable.

The Rev Ian Paisley, leader of the Democratic Unionist Party, yesterday urged Mr James Prior, Secretary of State for Northern Ireland, to seek EEC aid for the company.



A Bow Street policeman found picketing peaceful outside the Royal Opera House, Covent Garden, yesterday. Members of the orchestra of the Sadler's Wells Royal Ballet, in evening dress, continued their dispute with the management over their campaign to be treated as an integral part of the company in recognition of their contribution to the ballet's prestige.

Challenges to atomic programme Nuclear power is too dear, scientists say

By Pearce Wright, Science Editor

The cheapness of nuclear power, on which the Central Electricity Generating Board has planned to spend more than £15,000m over the next 15 years, was challenged yesterday in the Commons by a group called the Committee for the Study of the Economics of Nuclear Electricity.

The group comprises scientists, economists and environmentalists and includes Sir Kelvin Spencer, who was chief scientist to the former Ministry of Power when the civil nuclear power programme began.

Other members are Professor W. Jeffrey, the mathematician, Mr Colin Sweet, an economist at the Polytechnic of the South Bank, Dr Richard Marshall of Keele University, Mr Michael Prior, an energy consultant, Dr Peter Bunyard, a founder of The Ecologist magazine, and Mr Edward Goldsmith.

They say the figures published by the generating board for electricity costs are wholly misleading because they are biased in favour of nuclear power. The reason lies in the methods used to calculate the costs of power stations.

To illustrate an important point in the analysis, one is a matter of accounting techniques. The other is the poorer than expected performance of almost all the world's atomic stations.

Professor Jeffrey says the justification for the nuclear programme has been done on historic, not current, cost of power stations.

He says that the cost of a new nuclear plant will be a generating cost of 3.27p/kWh, against 2.34p/kWh for new coal-fired plant. The recommendations also call for the large programme of pre-nuclear decommissioning of coal-fired stations to be halted.

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Science report Neptune found to have third satellite

By the Staff of "Nature"

A previously unknown third satellite of the planet Neptune has been discovered. The satellite seems to be a mere 100 kilometres in diameter, and appears to travel in an orbit whose diameter is three times that of the planet.

The discovery, based on observations from two neighbouring telescopes in Arizona on May 24 last year, is reported by four astronomers from the University of Arizona: H. A. Leighton, W. B. Hubbard, L. A. Leighton, and D. J. Tholen. The latter is at the Lowell Observatory, at which they are based, has an enviable reputation for the discovery of minor objects in the solar system.

The new satellite of Neptune, as yet unnamed, has not been seen but its existence has been inferred from a simultaneous eight-second interruption of the light reaching the two telescopes, which occurred at the same time. Such a fleeting phenomenon would undoubtedly have been attributed to an instrumental defect or to some phenomenon nearby if it had not been detected by two independent telescopes.

The night chosen for the observations last May was one in which it had been predicted that Neptune would closely approach an uncharted star. Such an observation of a new object of a star by a planet and the faint ring system around the planet Uranus in 1977.

Because of the methods in Neptune's atmosphere, the star which was used to search for the satellite was bluish in colour. Each of the telescopes was kept pointing at Neptune and the star. And each was fitted with both a red and a blue filter, on the principle that the light from the star would be filtered out from the star and the light from the planet.

The light passing through the blue filter seems to have remained essentially unchanged during two hours of observation, but the red filter showed a sharp dip in intensity of about 4 per cent for the same period of eight seconds at each telescope. Brief fluctuations of light output such as this can be produced only with the electronic light detectors now in use.

The explanation put forward for this observation is that although Neptune itself passed to the north of the distant star, a satellite of the planet did fleetingly pass across the disk of the star, cutting off much of the light. The astronomers say that the interruption cannot have been caused by a ring of solid material around Neptune, for then there would have been a second interruption during the two-hour long period of observations. The chance that the interruption of light was caused by an unknown asteroid has been similarly eliminated by observation of the same patch of sky on the succeeding night. Nothing was seen.

Even though an object 100 km or so across would have been visible if it was travelling more or less at the distance of the asteroid belt. At the distance of Neptune, however, an object as small as the putative third satellite would be beyond the limits of observations, even with the telescopes, with diameters of 1 and 1.5 metres used in Arizona.

A tangible opportunity to confirm the identification of the new satellite of Neptune will come in 1983, when the Voyager spacecraft is planned to reach the planet after an encounter with Uranus. The two known satellites of Neptune, called Triton and Nereid, were first detected by computerized astronomical techniques. Triton is 3,800 kilometres across but Nereid only twice as big as the satellite supposed to be responsible for the observations reported from Arizona. Nereid is 500 kilometres across and Triton, the inner of the two known satellites of Neptune, is about 7,000 km across.

The new object, therefore, lies closer to Neptune than the other two satellites, and is about 100 km across. The New York Times, February 3, 1982.

MAN ON INN RAIDS CHARGES

By Keith Sturges, aged 22, Prince Consort, Bayswater, London, appeared in court at Banbury, Oxfordshire, yesterday in connection with raids on two Oxfordshire public houses on Sunday.

The Jolly Boatman at Kidlington and the New Inn at Wroxton, both in Oxfordshire, were raided by police on Sunday night and a search for drugs and with intent to steal.

Mr George Pritchard, CANA's spokesman, said the board was already aware of which site it wanted. He had sworn evidence that it knew the Oxwitten site was unsuitable at the time test drilling took place.

He said if Luxulyan was chosen there was always a possibility of a big accident which could affect the whole of the country. "The whole of Cornwall is under a threat", he said. Mrs Doreen Searle, who, with her husband owns Lower Menadue Farm, said she was "shattered" by the news that Luxulyan was still listed.

Overseas selling prices: Australia \$2.00, Canada \$2.00, Germany \$2.00, France \$2.00, Italy \$2.00, Japan \$2.00, South Africa \$2.00, Sweden \$2.00, Switzerland \$2.00, USA \$2.00, West Germany \$2.00.

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Min down grad

The Government has announced that it will be reviewing the grading of minerals. The review is part of a broader effort to improve the efficiency of the minerals industry. The Government is considering various options, including the introduction of a new grading system. The review is expected to be completed by the end of the year.

The Government is also considering the possibility of introducing a new system of mineral rights. This would involve the transfer of mineral rights from the Crown to the landowner. The Government is currently consulting with the minerals industry on this issue. The new system is expected to be introduced in the next few years.

The Government is also considering the possibility of introducing a new system of mineral taxation. This would involve the introduction of a new tax on mineral production. The Government is currently consulting with the minerals industry on this issue. The new tax is expected to be introduced in the next few years.

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Minister backs down on rate grant penalties

By David Walker

The Government yesterday admitted another in its attempts to strengthen control over council spending. Powers will not now be sought to reduce the rate support grant for high-spending councils after their budgets and rate levies have been set.

Mr Tom King, Minister for Local Government, said there would be no additional grant reductions for councils failing to meet their spending targets in 1982-83. Councils already know they will lose grants if they spend above a certain level, according to a published scale.

Mr King promised to bring in amendments to clause four of the Local Government Finance (No 2) Bill, now in its committee stage, to ensure that in future any grant penalties will be published well before the beginning of the financial year.

Mr King's amendments are likely to be broadly along lines agreed by the Conservative leaders of the county and district council associations.

Ministers are understood to be pressing councillors and Conservative backbenchers to accept a scheme that would leave the Government with reserve powers to adjust the rate support grant to penalize high-spending councils. These would be known as "differential clawback", a different animal from the "differential holdback", which Mr King says he has now dropped.

The Government's announcement ensures that the controversial Bill will proceed at least a little further. Mr Robin Squire, Conservative MP for Havering, Hornchurch, and one of the Government's majority of two in committee, praised "a very significant step" towards improved relations between central and local government.

A preliminary reaction from the Association of County Councils was: "We appear to have won the battle". The association has accepted the main part of the

Meeting on new TV channel schedules

By Kenneth Gosling

Independent television producers, some of whom are unhappy about the lack of information concerning the schedules of Channel Four, have been invited to a meeting with officials of the channel in London today.

Mr Michael Peacock, chairman of the Independent Producers' Association (IPPA), said yesterday that he hoped the meeting would provide more information, adding: "In the course of the next few weeks Channel Four will be making a series of announcements to clear up those matters that are unknown at the moment about their plans."

"It could well be that aspects of these announcements may not please some independents," Mr Peacock, who heads a company making programmes for the channel, said. "Our purpose is to maintain a constructive dialogue between representatives of IPPA and Channel Four and we have had a whole series of meetings trying to persuade the channel that their terms of trade, published early last month, should reflect certain anxieties and considerations."

"In some measure we have succeeded but in others we have not," he added. "Time would show who was right. Today's meeting would be the first time the association's membership had an opportunity to be heard on a number of issues. Some of them, he said, had felt hard done by, but that was bound to happen."

"It is early days yet and there are many matters that will become clear only as we get to know more about the way Channel Four is building its schedules. Four is building its schedules."

An early draft of the schedule is published in the current edition of Broadcast magazine. Channel Four officials emphasize that this is by no means the final shape of programming as it will appear from next November's opening.

However, it shows the likely mix, with programmes beginning at 5.15 pm from Mondays to Fridays and at 2 pm at weekends. Early evenings contain a strong element of education and information as well as ethnic programmes.

From about 9 pm the entertainment content broadens out into films, comedy programmes, drama and music. On Fridays and Saturdays a feature film is scheduled to begin at midnight.

The preliminary schedule includes only two hours of sport, from 6.30 to 7.30 on Sunday evenings and from 8 to 9 pm on Mondays, neither of which would put it into conflict with the other channels.

LBBC-made Open University programmes may be shown on Channel Four. Discussions are taking place between the OU and the Channel Four company for space to be found on the channel as early as possible. The programmes disappear from BBC2.



Miss Sally Harwood, a secretary, displaying some of the approved souvenirs yesterday.

Value and taste the aim for papal souvenirs

The Roman Catholic Church yesterday unveiled official souvenirs for the Pope's visit to Britain from May 28 to June 2, which it hopes will help to offset the estimated £6m cost of the trip (John Withrow writes). Ranging from a £1,000 gold watch to balloons, car stickers, badges and plastic carrier bags costing a few pence, the items have all been approved as being tasteful and good value. That means they can bear the official emblem of a cross inset with the papal keys, and can be promoted by Roman Catholic churches and shops.

The initial checking of goods was made by International Management Group, the American-based company headed by Mr Mark McCormack which has been called in by the church to handle the commercial side of the six-day visit in return for a 20 per cent share of the revenue. The company and the church have approved about 200 souvenirs and nine publications and expect to have

endorsed about 300 items before the visit.

The company has rejected some products thought inappropriate, such as a screwdriver adorned with the Pope's portrait, and has sought to encourage firms employing handicapped craftsmen. As a result disabled people in Sussex are making clocks and wall plaques and a company in the Midlands which employs blind people is producing papal badges. Items on display yesterday included candles, tea towels, urns, pens, ties, T-shirts, plastic flags, a bronze bust, ties, coasters and official portraits. Most bear a portrait of the Pope. Each approved manufacturer will pay a royalty to Papal Visits Ltd to meet the cost of staging open-air Masses and for transport of the papal entourage.

Mr Ralph Brown, coordinator of the visit, said they had decided to go ahead with promoting the souvenirs after they were besieged with requests from companies for

official endorsement. "One of the things we did not want to do was to be associated with things we did not like. The only way we could do that was by indicating there were things we did like," he said.

A warm and friendly welcome to the Pope has been urged by the Evangelical Alliance, a body which represents a substantial part of the Conservative evangelical tradition in Britain (Clifford Longley writes). Evangelicals, who have almost universally adopted that name for themselves rather than "Protestant", are asked by the alliance not to engage in "negative counter-demonstrations" during the visit. They should treat Roman Catholics with "love, respect and courtesy".

Organizers of the Pope's visit have withdrawn an application to fell 59 trees in Bellahouston Park, Glasgow, where the Pope is due to celebrate Mass on June 1. The aim was to give people a clearer view, but it led to protests.

NEWS IN SUMMARY

Skinhead 'wolves' sentenced

Judge Ward, sitting at Southend Crown Court yesterday, described an incident when four Indians were chased by 40 skinheads as "a hideous, monstrous, cowardly and racist attack by a pack of wolves". (Our South-end Correspondent writes).

A schoolboy aged 14, and Nathan Pritchard, aged 17, unemployed, of Surrey Road, Bletchley, were both given four years' detention after pleading guilty to robbing an Indian restaurant chef.

Mr Guy Whitburn, for the prosecution, said that on the Spring Bank holiday as the Indians walked home from work they were confronted by the skinhead youths, screaming "Seig Heil".

They were chased by the mob, but the chef, Mr Abdul Gani, aged 50, was tripped, by the schoolboy. One youth stood on his neck while the others kicked him unconscious and stole the £150 restaurant takings.

Mr Gani's injuries included a broken nose, black eyes and bruises all over his body.

Three other youths, all aged 18, who admitted receiving part of the stolen money, were sent to a detention centre and hospital.

Revenge theory over cell fires

Police and prison officials are investigating a series of cell fires in Albany top security jail, in the Isle of Wight.

Prison officers believe the fire raisers were prisoners angry with fellow inmates who refused to join them in mass "strikes" the previous week when scores of prisoners refused to go to the workshops.

No action over dumped bodies

The Director of Public Prosecutions has recommended that no action be taken over the discovery of two babies' bodies in cardboard boxes at St Woolos Cemetery, Newport, Gwent.

The babies, who died within hours of birth, had been taken to the cemetery from the Royal Gwent Hospital, but were left unburied and discovered among a pile of rubbish two days later.

Dockyard chemicals plea by union

The Ministry of Defence is to be asked for a fuller disclosure of dangerous compounds and chemicals handled at Rosyth dockyard, after the recovery of missing radioactive cobalt there last weekend. It disappeared a year ago inside the top security nuclear dock where Britain's Polaris submarines are refuelled and refitted. The Transport and General Workers' Union is to ask for the details.

106th birthday

Mrs Emma Parkes celebrated her 106th birthday in the Moorlands Home for the Elderly at Bingham, Nottinghamshire, yesterday. Among 100 guests were her son George, aged 83, 16 grandchildren, 27 great-grandchildren and one great-great-grandchild.

Medal for coxswain hero in 13hr rescue

Mr Alexander Gilchrist, coxswain of the Cambeltown lifeboat in Argyll, has been awarded the Royal National Lifeboat Institution's silver medal for his part in the 13-hour rescue of the crew of the Erlo Hills, which ran ashore off Rathlin Island, near the Irish coast, last October.

When the lifeboat reached the trawler the coxswain passed a towline to her from the coaster Caol Mor, which was also on the scene, in the teeth of a force nine gale.

Once the trawler was pulled clear, the Caol Mor left, and the lifeboat stayed to escort the Erlo Hills back to Campbeltown.

However, the trawler's engine failed and she began drifting back to shore. The English skipper would not let the lifeboat take off the Spanish crew, so Mr Gilchrist got another towrope on board the Erlo Hills.

With the lifeboat unable to pull the trawler clear, and both boats being savaged by 15-ft waves, the trawler's crew would still be in danger if the whole thing had been more easily settled salvage-wise.

Meanwhile, the lifeboat had released the towrope because it was in danger of capsizing. But the time the Caol Mor returned, the trawler skipper had been in radio contact with the owners. But the crew refused for two hours to pass a tow rope to the lifeboat, and the Caol Mor left.

Finally, the skipper radioed that he would obey the lifeboat's instructions and the Caol Mor returned. In waves 25-ft high the lifeboat four times passed a tow rope between the two ships, but each time it snapped. After two hours the Caol Mor had to leave as her fuel was dangerously low.

The Erlo Hills's skipper was now prepared to abandon ship, and Mr Gilchrist made six approaches alongside the trawler, and, according to the RNLI, the reluctant crew had to be dragged on to the lifeboat.

Yesterday Mr Gilchrist, aged 39, of Kilkerran Road, Campbeltown, said: "We could have done the job with a lot less danger if the whole thing had been more easily settled salvage-wise."

THINK HARD, BREMNER JURY TOLD

Mr Billy Bremner, the former Leeds and Scotland footballer, was being accused by the Sunday People of three offences of corruption for each of which he would be liable at a criminal trial to two years' imprisonment. Mr Justice Bristow said in the High Court yesterday.

"What you are dealing with, therefore, is no mere triviality," he told the jury. "You will no doubt think long and hard before you find Billy Bremner guilty of corruption."

The judge was summing up on the sixth day of Mr Bremner's libel action claiming damages against the Sunday People and Danny Hegan, the former Wolverhampton Wanderers player.

Mr Bremner claims that bribery allegations made by Mr Hegan in an article which appeared in September, 1977, forced him to end his playing career.

The publishers, Odhams Newspapers, and Mr Hegan deny libel and say the allegations were true.

The judge told the jury that the fact that a man was a brilliant footballer did not necessarily mean he was honest. "On the other hand, you may think the fact that he behaved badly on the field — he questioned the referee, was sent off three times in all those years, and is said to have disgraced the image of football by taking his shirt off during a charity shield match — does not necessarily mean he would attempt to bribe other players."

Inquiry into SAS man in coma

From Our Correspondent

Three medical experts began an inquiry yesterday into the case of Mr David Woodhouse, the part-time member of the Special Air Service Regiment, who has been in a coma since last May, when an operation for appendicitis went wrong.

The experts, appointed on the recommendation of the Royal College of Surgeons, are Professor J. P. Payne, director of the college's research department of anaesthetics, Dr E. A. Cooper, consultant anaesthetist with Newcastle upon Tyne area health authority, and Mr Peter Lord, a member of the college council.

The Hereford and Worcester area health authority said the inquiry is expected to take several weeks.

Mr Woodhouse, aged 27, and the father of four small daughters, lived in the village of Fownhope near Hereford. It is understood that his condition was caused by confusion during the administration of an anaesthetic at Hereford County Hospital.

The inquiry was set up on the advice of Dr Gerard Vaughan, Minister for Health, who decided not to hold a government inquiry into the case. Attempts to hold a local inquiry have failed because the Medical Defence Union, an insurance body representing the interests of doctors, had refused to allow its members to cooperate.

Actress and Actor of 1981



Film stars of the year: Dee Hepburn, who appeared in "Gregory's Girl", and Jeremy Irons, "The French Lieutenant's Woman" after receiving their awards for Actress and Actor of 1981, presented by the Variety Club of Great Britain yesterday.

'Stiffen safety fines'

By Frances Gibb

Magistrates have been urged to fine companies more heavily for breaches of health and safety regulations after complaints by the Society of Graphical and Allied Trades (Sogat) that the level of fines is "paltry".

A survey in the current issue of The Magistrate, the journal of the Magistrates' Association, shows that the average fine imposed on companies for breaches of the Health and Safety at Work Act, 1974, over four successive years was between 10 and 16 per cent of the maximum fine.

In 1979 the average fine imposed was £165.90, in 1978 £142.41 and in 1977 £106.69; with all those years the maximum fine was £1,000. In 1976, when the maximum was £400, the average imposed was £29.42.

According to the journal, Lord Hailsham, of St Maryle-

bone, the Lord Chancellor and the association's president, has expressed sympathy with Sogat's view.

"When breaches of statutory provisions are proved, realistic penalties must be imposed," the journal says. "If the magistracy is to retain its credibility it must come to grips with legislation of this kind, and must impose penalties in keeping with what Parliament clearly envisaged."

Figures supplied by Sogat show that among its 200,000 membership there is an average of six deaths a year.

Paltry fines devalue the work of those striving to reduce occupational hazards, the journal says. "It is unquestionably essential that in respect of such breaches, the negligence of employers to meet their statutory responsibilities should be realistically penalized."

'LIFE' FOR BODY IN CAR MURDERER

From Our Correspondent

The killer of a woman whose body lay undiscovered in a car boot for 18 months was jailed for life yesterday.

Keith Lock, aged 33, unemployed, of Woodcote Avenue, Mill Hill, London, was found guilty of murder by a jury at the Central Criminal Court. The knife used by Lock to murder Mrs Christina Pellegrinetti was still embedded in her abdomen when the body was found and it was not possible to remove it.

Lock was also convicted of unlawfully preventing the woman's burial, for which he was given a three-year sentence for possessing a sawn-off shotgun, which he admitted.

He pleaded not guilty both to murdering Mrs Pellegrinetti, a divorced mother of two, at her home in Rowley Way, Boundary Road, West Hampstead, London, in April, 1979, and the burial offence. The body was identified by dental records.

Mr Lock said he had to get something because it was Davidson's first time and he wanted to make a good impression.

Mr Dunsmore said that towards the end of the concert he came across a young man and asked him if he smoked. "He said he had never tried it. I said 'Here, try a piece'. He looked at it and said 'Thanks'. I walked away and nodded to Atkins and Davidson, who grabbed him."

The man, Mr John Walker, a bus driver from Saltburn, was later fined for possessing the drug by Bridlington magistrates, although he denied the offence.

Mr Dunsmore said Constable Davidson later gave him cannabis and LSD for his work.

Earlier Mr Dunsmore told the court that Constable Atkins and another officer had "set him up" to make him become an informer.

He said Constable Atkins and Det Constable Andrew Ablett had played hashish in his "top pocket" in a Hull public house and asked him to "do them a favour".

"Atkins wanted me to inform on anyone dealing in cannabis so that he could make the arrest. I did not want anything to do with it, but I was that or getting nicked for possessing cannabis," he said.

Five drugs squad detectives were suspended from duty in November 1979 after allegations by Mr Dunsmore, who had been arrested for burglary. He claims the officers paid him for information leading to drugs convictions with confiscated cannabis, LSD, heroin and cocaine kept at the police station.

The five detectives deny 10 drugs-related offences. The accused are Det Constable Michael Lord, aged 44; Det Constable Philip Riby, aged 31; Constable Davidson, aged 31; Constable Atkins, aged 26; and Constable Ablett, aged 33.

The trial continues today.

Explain Welsh bugging, Whitelaw to be asked

From Tim Jones, Cardiff

Tomorrow night, Mr Whitelaw, the Home Secretary, will be asked to explain what two men driving a white estate car, registration HOV 131W, were doing last month outside the public telephone box in the village of Talsarn, Gwynedd.

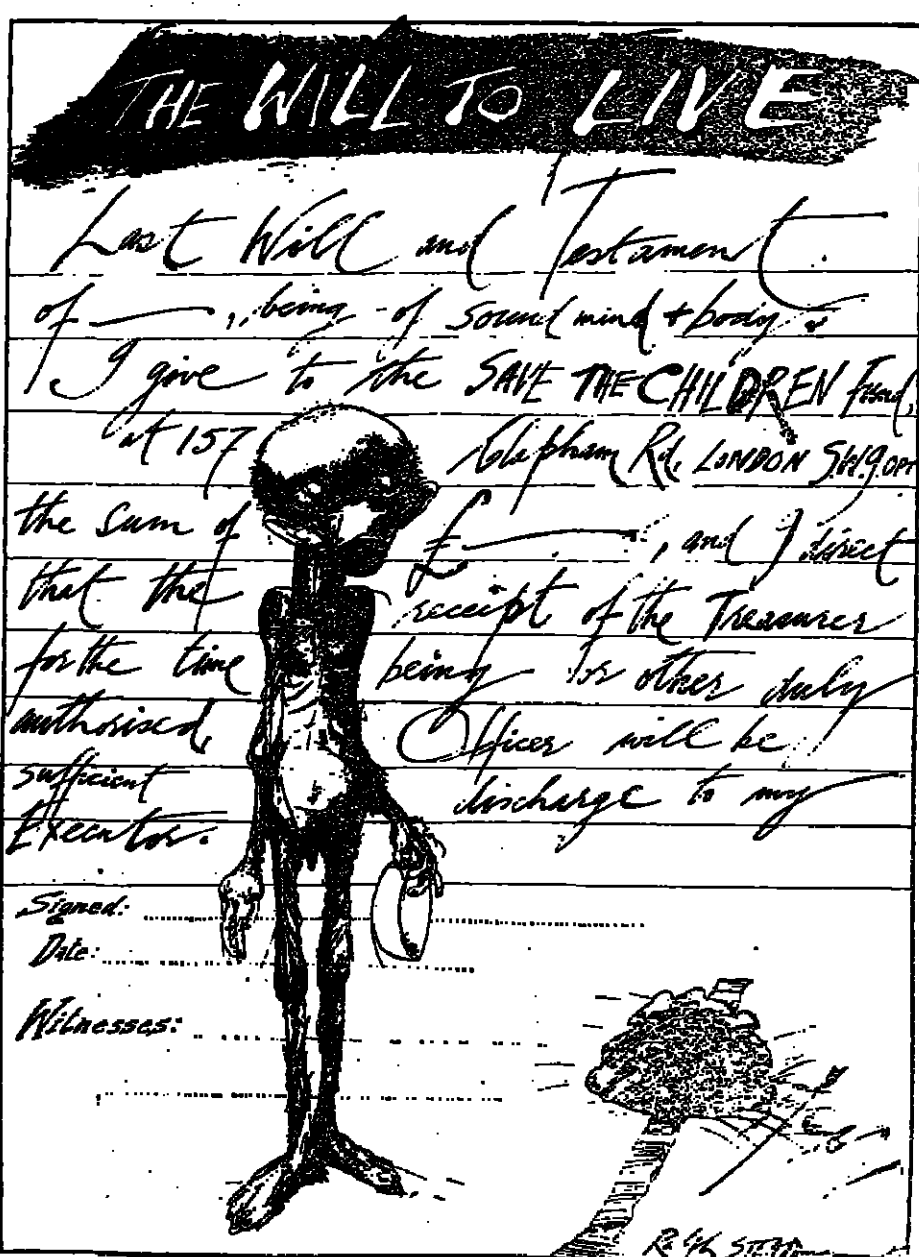
Mr Moses Edwards and his wife looked out of their sitting room window and saw two men from the car outside the box. When the men drove off, the Edwards went to the kiosk, and removed from it a small radio transmitter, which had been stuck behind the telephone. As they walked back to their home the estate car returned, mounted that pavement to block their path and the two men jumped out and forcibly demanded the return of the device.

Councillors alerted the police, who eventually admitted that the police computer had rejected a request for information about the car because it was protected by a Home Office block.

Local people are convinced the episode was connected

with the police search for the holiday home arsonists who have burnt more than 60 properties in the principality. Others, including Mr Dafydd Wigley, president of Plaid Cymru, think that it is part of an MI5 operation mounted in response to a demand from 10 Downing Street after the bombing of a property company in Stratford-on-Avon for whom Mr Denis Thatcher, the Prime Minister's husband acts as consultant.

Mr Wigley is due to meet Mr Whitelaw tomorrow to discuss the matter after his dissatisfaction over written parliamentary replies he has received from the Department of Industry. Mr Wigley concedes there are times when telephone tapping is necessary, but maintains that the Talsarn incident demonstrated a flagrant disregard for accepted practice. "Unless bugging is properly monitored and authorized by Parliament then the secret services can take the law into their own hands. And that is stepping down a slippery slope that we cannot afford to follow", he said.



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Save the Children
The Save the Children Fund, 157 Clapham Road, London SW9 0PT

Tebbit and Pym at one on economy

Britain

Those factors had led to the NCB going badly off course in the last two or three years. Domestic sales had fallen, those exports which replaced only by exports which yielded a lower net at pithead, and total revenue had fallen well short of what was expected.

But not all was gloom. The men and management had achieved productivity improvements and the board had kept to targets set out in the 1979-80 financial strategy. Output per manshift had risen, absenteeism was falling sharply and output had been rising.

the two dates was 1,516,900, or 115.6 per cent.

Mr Winnick: 'These shameful, disgraceful figures illustrate the misery caused to so many people as a result of the Government's policies. All the evidence shows that unemployment will continue to increase, and was that not the

Producing

x years. Investment had to go to the industry. The Opposition welcomed the increased borrowing limit in the Bill.

Borrowing for capital investment meant paying the going rate of interest, which was 15½ per cent. It was monstrous to suggest that borrowing based on paying interest and which was designed to deal with energy requirements many years ahead was a subsidy.

Britain had the lowest production cost and the lowest level of production grants among the European coal industries. The Government was subsidising areas, including Scotland, were showing a decrease in, productivity.

attitude he is dragging a great department of state into the political gutter alongside him.

Why, is it that when we are moving towards one million long-term unemployed before the end of this year all he can offer are 50,000 places in the community enterprise programme, which the

g too much

Alan Beith, (Berwick-upon-Tweed, Scotland) and the National Union of Miners was demonstratively-run union which had recently decided responsibly to secure the future of its industry rather than to secure wage increases for which they might suffer a high price in job losses in the future.

The Bill should not be seen as giving a way out of trouble, but a temporary measure. It could be part of a package of a more coherent energy policy, with emphasis on schemes for rationalising the coal

Does he think should come about
to bring unemployment down?
Mr Tebbit: I accept the collective
responsibility of the Government
for the fact that many people
have been displaced from jobs in
over-manned industries. I take it
that he would not suggest that
the unemployment situation for

coal

There should be powers to enable the Secretary of State to take over individual coal mines and mining areas to the people who work within the industry. It had been done with the National Freight Corporation, seemed to be popular with those who worked for it.

Mr Moore said Britain was the only EEC country which has a right of veto on commitment to investment in the future of its coal industry. British miners were at the top of the industrial wage league but West Germany were only just above the average industrial wage.

The Bill was read a second time.

UK cannot afford luxury of strikes

Lobbyists'

1m milk loss in Wales

Nicholas Edwards, Secretary of State for Wales, said in a statement written early today that he was advised by the Milk Marketing Board that there were no significant milk losses in Wales attributable to adverse weather in summer.

As a result of the January storms the board estimated that the seven million litres of milk lost in Wales at an

Salvation for church army

essions at the report stage which could be reviewed later in light of the findings of the review of the Act.

The new clause was withdrawn.

The committee stage of the Agriculture (Scotland) Bill

Young Lord Boyd-Osterhout no doubt has some specific case in mind. If he has a specific case to consider, the committee consists of six men, and to that case, I can only say, to the question that has been asked, the position as it stands under the law.

The Royal Assent was given to the Social Security (Amendment) Act, Aviation Security (Contributions) Act, the Currency Act, and the Greater London Council

Pump on lix

which the Western industrial nations — and later Japan — had a dominant share. It was cheap energy that fuelled that growth, and made it possible. There is no more cheap energy: cheap energy has gone for good.

£50,000 jewel raid
Two armed men snatched a jewelry valued at £150,000 yesterday after posing as tourists officers to get into a jewellers' home in Hendon, north-west London.

guilty, or otherwise he would remain in custody. Lawyers think there were a number of pleas of that kind the first few days after the shooting but that that has now stopped.

What has happened and is happening is that we have entered, almost without recognising it, a second industrial revolution, entirely different from the first which

it even more difficult for
physicians to invite serious
discussion of changes that have
far-reaching implications.
It was ought to face up to
it. They are not peculiar to
but in many ways they are
difficult for us to deal with
most countries.

Police investigation

Mr Keith Bridge, Clerk to
Hampshire Police Auth-
ority, said yester-
day that another force is
investigating allegations of
conduct affecting the

GPs
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The figure in the survey asked whether with the exception of medicine, follow-up

The cou criticized w Kadri, joint Society of B president o Conference Organization

Government will double number of consultants

By Annabel Forman Health Services Correspondent

More patients will be seen by hospital consultants in future after the Government's decision yesterday to double the number of consultants by the 1990s, as recommended in the Short Report on medical education. The report, published last October, recommended fewer junior doctor posts and more hospital consultants. As junior doctor posts become empty, some will be regarded into consultant posts. There are now about 14,000 consultants in Britain and 26,000 junior hospital doctors. The Government wants two consultants for every junior doctor. Its immediate aim is a one-to-one ratio by 1988 and to the end the Government has asked regional health authorities to freeze all senior house officer posts. In its reply to the report, produced by the Social Services Committee chaired by Mrs. Renée Short, Labour MP for Wolverhampton North-East, the Government says it is its policy to change the balance between senior and junior staff, partly because patient care is best provided by fully trained doctors and because doctors should not remain in training longer than necessary. At present the average medical graduate wishing to pursue a hospital career does not become a consultant before he or she is over 37 and has occupied a junior doctor post for more than 13 years, the report says. Although it has been government policy to change the balance, "the actual achievement of these objectives has so far largely eluded the best endeavours of both the health departments and the profession". The need to revise the hospital career structure has become more urgent because of the greater number of students coming out of medical school and the fall in the use of overseas doctors. At one time overseas doctors trained in junior doctor posts and went back to their own countries in their 30s, leaving a reasonable balance between British junior doctors and consultant posts. The Government rejects two possible solutions from the profession, that of having a sub-consultant grade or two types of consultant. While team work and seeking the advice of colleagues are well established traditions, the idea of one consultant having to take an instruction from another is not, and an arrangement involving two tiers of clinically autonomous hospital grades would be likely to prove satisfactory in practice. The report will please Britain's junior doctors, but consultants will have mixed feelings. The British Medical Association is split on the subject, with its consultant committee opposed to many of the Short report recommendations and the junior doctors' committee in favour. The Government's Fourth Report from the Social Services Committee, 1980-81 session, (Command 8479, Stationery Office, £3.05).

GPs favour private medicine, survey says

By John Chartres

A substantial majority of family doctors in Britain support private medicine and believe it relieves pressure on the National Health Service rather than harming it, according to a survey conducted by the British United Provident Association (Bupa).

The survey results also claim to show that there has been a substantial swing in political opinion among doctors from the Conservatives to the Social Democratic Party. It was conducted among 400 GPs in Britain, commissioned by Bupa and conducted by Medical Research Factors Ltd.

One finding was that 83 per cent of GPs believed that more people would see their doctors privately if the cost of drugs was the same for everybody, whether NHS or private patients. Bupa claims that the private sector is supported by 72 per cent of doctors.

The figures published in the survey say that doctors, asked whether they agreed with the existence of private medicine, replied in the following terms: agreed strongly, 33 per cent; agreed, 39 per cent; neither agreed nor disagreed, 15 per cent; disagreed, 7 per cent; disagreed strongly, 5 per cent.

The substantial growth of private hospitals was endorsed by 71 per cent of family doctors, the survey claims, with almost half "very strongly" in favour. The Bupa statement said that many Labour politicians and trade union leaders had claimed that private medicine harmed the health service.

That view, the statement said, had been rejected by doctors, of whom a majority (67 per cent) believed that private treatment relieved the strain on the National Health Service.

The statement also claimed that the result showed that doctors' views were the same as those of the general public, as established by previous independent national opinion polls.

It added that whereas in the last general election 66 per cent of doctors said they had voted Conservative, now 39 per cent say they would support the SDP/Liberal Alliance.

Sarjeant's sentence is upheld

The five-year jail sentence on the teenager who fired blank cartridges from an imitation pistol as the Queen rode past during the Trooping the Colour last June, was upheld by the Court of Appeal in London yesterday.

Marcus Simon Sarjeant, aged 18, a youth opportunities scheme worker, of Old Dover Road, Capel le Ferne, Kent, jailed at the Central Criminal Court on September 14 last for an offence under the Treason Act, 1842, was refused leave to appeal.

Lord Justice Ackner, sitting with Lord Justice May and Mr Justice Stocker, said the sentence imposed on Sarjeant by the Lord Chief Justice for discharging a firearm with intent to alarm the Queen was "not wrong in principle or excessive".

He said the Queen managed to steady her horse after Sarjeant fired an imitation Colt Python revolver. The Lord Chief Justice was amply justified when he said that Sarjeant had been able to obtain a real gun and live ammunition, he would have tried to murder the Queen.

"If he had fired a real pistol with live ammunition, clearly indicating an intention to endanger life, it would have been totally unrealistic to have charged him under Section 2 of the 1842 Act", the appeal judge said.

"He could have been charged with attempted murder, with a maximum life sentence or, by contemplating the death of her Majesty, with high treason, under an Act of 1351, which is still a capital offence."

Mr John Mathew, QC, for the appellant, said Sarjeant had sought self-glorification and to be remembered by his "historic" act. He had no intention of harming the Queen, and the trial judge had gone beyond the ambit of his offence in imposing a five-year sentence.

Lord Justice Ackner, however, said Sarjeant had indicated an intention to kill in his notebook and tapes and correspondence with friends. He had tried to obtain a firearms certificate from the Folkestone police and ammunition for his father's pistol.

The prosecution was fully entitled to put an explanation of his conduct before the court and would have been failing in its duty not to, he said.

Dumbyne, aged 65, who complained he could not hear Mr Kadri, said Mr Kadri was "extremely rude". The judge provided guidance for the taxing officer on the way the defence had been conducted, which may result in Mr Kadri's fees being cut.

Mr Kadri accused the Special Patrol Group of being the SAS of the police, and said the defendant, Mr Anthony Amos, aged 20, was kicked and brutalized by Lord Dumbyne, is said to have intervened to say: "It does not matter if the accused was maltreated. There are plenty of courses for alleged malpractice against the police. That is not the issue at the moment."

The judge praised police for causing Mr Amos only minor injuries in the struggle to arrest him.

Mr Narayan said yesterday: "From the information that we have received the clashes were largely due to the judge's inability to hear clearly and not Mr Kadri."

"The judge said it was irrelevant that the defendant received injuries. That is a monstrous thing to say, and he praised five police officers for fighting off one boy. We consider Mr Kadri conducted the trial as well as he could."

Mr Amos was acquitted of assault on the police, after saying he bit an SPG officer's finger to the bone in self-defence. He was convicted of possessing an offensive weapon, a brick, and was sentenced to three months in a detention centre.

Ban on tax cut to save art works expected

By Frances Gibb

The Treasury is expected to reject one of the key proposals of a Commons select committee of MPs for tax concessions designed to prevent the loss of further important works of art abroad.

The proposal was one of several made by the MPs under the chairmanship of Mr Christopher Price, Labour member for Lewisham, West in a report on tax rules governing works of art published last April.

The Government is due to respond to the report shortly. But fears are growing in the art world that Treasury officials intend to reject the recommendation that the Capital Transfer Tax concession on the surrender of an art work in lieu of taxes should be raised from 25 to 75 per cent.

Such an increase would encourage private owners to offer their heirlooms to the nation rather than sell them on the open market and to pay their taxes in kind rather than in cash. Much of the money collected by the Government for operating the system has not been used.

The purchasing power of American museums, which poses a threat to private collections in the country, is well highlighted in an article in *The Burlington Magazine*.

Mr Edmund Pillsbury, director of the Kimbell Art Museum, Fort Worth, announces acquisitions in the past year by the museum of more than a dozen European paintings estimated to be worth \$15m (£8m).

The acquisitions, several of which are published in the article for the first time, include works by Velazquez, Manet, Carracci, Stubbs, Claude and Sickert and span five centuries.

Among the masterpieces are "The Butcher Shop", by Carracci, formerly in the collection of Lord Aberdeen; hitherto unpublished work by Bernardo Cavallino, "recently brought to light on the London art market", and a version of "Ennui", by Walter Sickert, in the Tate Gallery.

There is also an important, little-known painted sketch by Benjamin West of the debate in Parliament on the future of the American colonies when William Pitt entered on crutches and faint.

On West's death it went to a Welsh collector, in whose family it remained until the late 1970s.

The museum is a small example of the increasing wealth of foreign museums which the MPs were aiming to counteract. The biggest threat comes from the J. Paul Getty Museum, Malibu, which has capital of \$1,200m and a yearly income of \$55m.

After more than five years of legal wrangles, the Getty legacy is expected to be granted probate soon and these funds will come on to the art market.

DEAD MAN WOULD HAVE DENIED RAPE

From Our Correspondent, Doncaster

A detective accused of rape had a holiday abroad with his alleged victim during a year of relationship, it was disclosed yesterday. George Hall, aged 35, was due to appear in court yesterday to face a charge of raping and assaulting a police colleague, but he was found dead last week at his home with a plastic bag over his head seconds before a gas explosion.

His solicitor told magistrates in Doncaster, that Hall would have denied the rape charge as the Bench agreed not to proceed with charges of rape and causing actual bodily harm.

Mr Fred Curtis, Hall's solicitor, said it was one of the few opportunities he would have to say something on his client's behalf. "On the instructions I have received from the late George Hall I would have been advising him to enter a plea of not guilty and I believe that he had an excellent chance of successfully defending the rape allegations", he said.

Alice Springs, Feb. 2.—An Australian coroner today ordered Mrs Lindy Chamberlain, the wife of a Seventh-day Adventist pastor to stand trial charged with the murder of her baby daughter, Azaria, 18 months ago. He overruled an earlier verdict that the child was killed by a dingo (wild dog).

Mr Gerry Galvin the coroner, also committed her husband, the Rev Michael Chamberlain, for trial on a charge of being an accessory after the fact.

A second inquest into the baby's mysterious death was ordered last year after new forensic evidence was given.

The body of Azaria was discovered while on a camping holiday with her parents near the tourist spot of Ayers Rock in Central Australia, has never been found. But her bloodstained jumpsuit was recovered in the outback near the camp site several days after her disappearance.

The original inquest, a year ago, found that Azaria had been killed and dragged away by a dingo. It specifically exonerated Mrs Chamberlain, aged 37, and her wife, aged 33, of responsibility for the death.

Mr Galvin said that he would not release his full findings so as not to prejudice the Chamberlains' trial.



Taste of freedom: Mr Bulent Ecevit, former Prime Minister of Turkey, leaving an Ankara prison on Monday after serving two months for issuing a press statement.

Banished leader of Copts offers olive branch to Mubarak

From Christopher Walker, Cairo, Feb. 2

The banished spiritual leader of Egypt's minority Coptic community, Pope Shenouda III, sent a private letter to Copts living in America, urging them to provide a warm welcome for President Hosni Mubarak who began his first official visit to Washington today.

A copy of the appeal, written from the desert monastery where the Pope was indefinitely banished last September, has been shown to *The Times* by Mr Muhammad Heikal, the prominent Egyptian journalist who was released from prison on President Mubarak's orders last November.

Dated January 24, handwritten on notepaper embossed with the Coptic seal and headed with a small cross, the letter is regarded as an important gesture of reconciliation to the new Government by the lead of the estimated five million Egyptian Copts.

It appeared deliberately designed to thwart the type of hostile demonstrations by Copts which greeted President Sadat during his last visit to the American capital in August, 1981.

"Without this intervention by the Pope, one could have expected thousands of Copts to have taken to the streets to protest against his continuing banishment", said Mr Heikal, who is now writing a book about the Pope's definitive account of events leading up to President Sadat's assassination. "The gesture is typical of the new mood of calm and reconciliation now in the air".

In the letter, Pope Shenouda reminds his followers that the Government might soon be prepared to lift the order which has kept the Pope under virtual house arrest inside his monastery at Wadi Natroun, between Cairo and Alexandria.

Already a number of the Coptic churchmen who were among the victims of Sadat's last purge have been released, as have all the former President's political opponents and many Muslims.

There have been strong hints that more releases can be expected soon.

One Government official told me that special military precautions still in evidence close to many of Cairo's main public buildings were scheduled to be considerably relaxed.

On the first night of his return to his office overlooking the Nile, Mr Heikal wrote his recollections of conversations on 310 different index cards.

Now free to air his views to foreign reporters, Mr Heikal is not as yet playing any new role in Egyptian politics or journalism. He prefers to describe himself as an observer until he finishes his account of Mr Sadat's last days, provisionally entitled *The Autumn of Fury*.

Mother charged with murder in 'Dingo' case

Alice Springs, Feb. 2.—An Australian coroner today ordered Mrs Lindy Chamberlain, the wife of a Seventh-day Adventist pastor to stand trial charged with the murder of her baby daughter, Azaria, 18 months ago. He overruled an earlier verdict that the child was killed by a dingo (wild dog).

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Palestinian autonomy problem for America

From Nicholas Ashford, Washington, Feb. 2

President Hosni Mubarak of Egypt's visit to Washington this week comes at a time when the United States is still groping for a way to move ahead with the Middle East peace process.

The first phase of the Camp David peace accord, the Israeli withdrawal from Sinai, is virtually complete. American policy makers have heaved a sigh of relief that Israel has finally withdrawn its objections to European participation in the Sinai peacekeeping force.

The next phase, the search for an agreement on Palestinian autonomy, seems to be sinking even deeper into the sands. Senior officials, having abandoned hope of Israel and Egypt reaching agreement before the April 25 Sinai withdrawal deadline, still talk about the chances of making gradual progress in the months ahead.

Privately they concede that the differences between the two sides over their respective definitions of autonomy are as deep as the Red Sea.

During his most recent trip to the Middle East, Mr Alexander Haig, the Secretary of State, attempted with some success to ease the tension which had begun to develop between Israel and Egypt and to reassure them of the United States commitment to Camp David.

Israel and Egypt have also pledged their determination to carry out the agreements which were made in 1978, but the pieces of paper which were signed then are beginning to look frayed round the edges.

For the Americans, the unpredictability of Mr Menachem Begin, the Israeli Prime Minister, remains a source of constant concern. They believe actions such as the annexation of the Golan Heights and the establishment of more settlements on the occupied West Bank not only undermine the peace process but make it more difficult for Egypt to continue to be seen to be dealing with Israel.

On the Egyptian side, President Mubarak remains something of an enigma. American officials like to emphasize that he is committed to the policies initiated by his predecessor. But they also note that he has a mind of his own and that his style is very different from that of Sadat, who was so admired by the American public.

There have been changes both in style and substance in Egyptian leadership since President Mubarak came to power in October. He is less flamboyant and less extravagant than his predecessor and has made it clear he intends to concentrate on domestic rather than foreign issues.

He has also taken steps to emphasize Egypt's commitment to non-alignment and to demonstrate that Egypt is not a client of the United States. To this end he has started to improve relations with his Arab neighbours, even to the extent of reopening the border with Libya.

He is buying \$1,000m (£550m) worth of Mirage fighter bombers from France and is allowing a group of 59 Soviet technicians into Egypt to repair equipment supplied before the 1972 breach in Egyptian-Soviet relations.

American officials say this does not mean Egypt is again going to look to the Soviet Union for help.

The return of the technicians may help President Mubarak achieve what he considers to be the main purpose of his visit: to win American approval for a big increase in military aid and greater flexibility in Egypt's handling of the \$1,000m it receives in economic assistance.

It has long been a bone of contention by Egypt that it receives less military assistance than Israel. It argues that it needs larger and speedier supplies of American arms to replace the outdated equipment it was sent by the Soviet Union during the 1960s and 1970s.

Letter from Sylt

From Christopher Walker, Sylt, Feb. 2

Sylt, with its cliff-top promenade lamp-posts and their ornamental globes safely removed and its windows boarded over, is like a ship battered down, tense, for whatever else winter may inflict.

The islanders wonder if the 36-hour gale in November, which pushed the flood tide over the Noesse dyke was only a foretaste of worse to come between now and Easter.

As the west coast along from Wenningstedt so graphically shows, this sliver of land — 26 miles long but only 36 square miles overall and less than a mile across in places — the largest and northernmost of West Germany's North Frisian Islands, is literally a diminishing asset.

The low cliffs of soft red sandstone, moraine and clay, topped by dunes of more recent formation, are being ineluctably eroded by storms and high spring tides, in conjunction with rain and melting snow pouring down from the higher ground. The ragged, shingle edge of the Wenningstedt promenade beyond the safety wall hangs poised to crumble away and follow the black fragments strewn all down the cliff.

The "safe-dancing" is given maybe five or six years before it shares the same fate as the photo shop that toppled over the encroaching edge on Christmas Eve, 1965. Next on the list is a stately Danish-style house. Heads are shaken at the temerity of building a new complex of holiday homes behind low dunes 100 yds or so from the cliff. They are given a century at the most, changing hands at declining prices long before.

Awareness of the North Sea's constant menace is everywhere. Five centuries ago, a mere instant of geological time, the island was twice its present size, the coast about a mile further west. Ancient maps show all the North Frisians as part of the

Holiday isle under threat from sea

From Christopher Walker, Sylt, Feb. 2

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Awareness of the North Sea's constant menace is everywhere. Five centuries ago, a mere instant of geological time, the island was twice its present size, the coast about a mile further west. Ancient maps show all the North Frisians as part of the

mainland. The area between Sylt and the coast went under in 1362, part of the far wilder calamity, the "Groten Mandrenke", in which, according to the chroniclers, perhaps 100,000 people perished along Europe's western seaboard.

The most recent disaster on the Schleswig-Holstein coast was 20 years ago (February, 1962) when dykes were breached and 315 people drowned, many around Hamburg 60 miles up the Elbe. In 1976, the white fury of the sea — *Blanke Hans*, they call it — almost cut Sylt in two, snapping 10-in wooden beams like matchsticks on Wenningstedt's lower promenade. At Westerland, the capital, basalt slabs from the promenade ramp were hurled into the air and the concrete cupola of the bandstand ended up far down the beach.

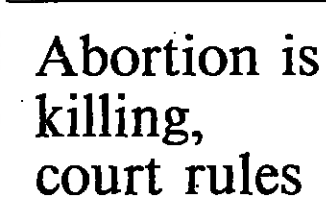
Coastal erosion is the nagging worry for the 20,000 islanders, among them proprietors of the many discreetly expensive mansions whose thatched roofs, in traditional Jutland style, recall the black houses of Scotland's Western Isles.

The current technique for breaking the full force of the North Sea is transplanting submerged artificial sandbanks, out from the Westerland/Wenningstedt area.

But what may eventually be left of Sylt for future generations is less of a current preoccupation, on the whole, than is sustaining the community's defences against the flood of holidaymakers from Easter into September when the car-train services transport thousands of vehicles daily.

"A road along the causeway would be the death of Sylt," says Herr Volker Hoppe, Mayor of Westerland and a key figure in the Coastal Protection Union. "Nobody wants it — none of the visitors wants it either."

Alan McGregor



Abortion is killing, court rules

Oslo, Feb. 2 — The abortion debate has flared up again in Norway after a court decision yesterday that abortion is nothing but killing a human being.

The Norwegian Government lost a civil action in the Malangen District Court, Tromsø, aimed at dismissing a vicar who has refused to perform his state office duties in protest against abortion on demand. The Government is to appeal.

The court's unanimous verdict was that the Rev Boerger Andersen may continue as vicar in the parish of Balsfjord despite refusing to carry out his official duties.

Mr Knudsen started his one-man demonstration three and a half years ago after Norway adopted a new law in 1978, allowing free abortion up to the twelfth week after conception.

In its judgment, the court said that it failed to see that abortion brought about artificially anything but killing a small human being.

"It is impossible to fix any point on the road from conception to birth where an acceptable limit can be set for performing an abortion."

Polisario opens Paris office

Paris, Feb. 2 — The Polisario Front, the guerrilla movement fighting against Morocco for control of Western Sahara, is to open an official bureau in France, Mr Fadel Ismail, its European representative, said in Paris today.

He said, that the move had the approval of the French Government, which last week had talks with King Hassan of Morocco, who was visiting Paris.

Mr Ismail said that the bureau would enable France "to establish a direct, official and continual dialogue with the other — and principal — party in the Saharan conflict, and promote and develop France-Sahrawi relations with a view to promising cooperation for the future".

Since the election of President Mitterrand, France had taken "the road of history", he went on. "Hence the legitimacy of our hope to be considered on the same equal footing as Morocco..."

He added, however, that the Polisario Front was still waiting for France to stop deliveries of weapons to Morocco.

Toughest ever corrosion test for BL's cars

The Canadian anti-corrosion code is generally regarded as the toughest in the world. It is the standard against which BL Cars are now tested.

Some of the worst weather conditions in the world are artificially created at BL's £2-million proving ground at Gaydon where cars are put through an exhaustive 15 week series of tests. First they go through 168 hours of alternating high and low humidity conditions. Then they are driven over 150 miles of tarmac, make 50 separate passes over a salt splash, spend 150 hours in a damp garage. And finally they're driven over 50 miles of mud and sand.

Then just to make sure, the complete cycle is repeated not once, but less than five times.

If anything, no matter how small, needs modification, the entire test procedure starts again.

BL Fighting back

From Roger Boyes, Warsaw, Feb 2

Students who miss even one class without a medical certificate justifying their

After martial law was introduced, it is understood that Mr Hebda was offered the rectorship of Warsaw

The idea, of course, is to keep students off the streets, indirectly punish them for the study-time missed through strikes last year, and above all ensure that evenings are not spent in the Solidarity underground. Critics of the new regulations insist that academic freedom has become the victim of the drive to restore law and order.

was liberated on Thursday from terrorist captivity in Padua in what is regarded as the biggest defeat yet inflicted on the Red Brigades terrorist movement.

He told his first formal press conference since his release: "Well you folks are looking at a sort of embarrassed guy. Yes, I was warned. However the experience in the past had been that these folks did not have



From Peter Nichols, Vicenza, Feb 2

The order under which Mr. Stuttaford is held has five more days to run. After that, an order will have to be issued under Section 17, which provides for indefinite detention.

article the *Rand Daily Mail* today told its readers that the Steyn report was a "massive, and perhaps fatal assault on your right to be kept informed of what is happening in your own country", a view widely echoed elsewhere

single investor would be able to hold more than 1 per cent of the total shares of either SAAN or Argus. The companies would have three years in which to find alternative financial backing to fill the gap

It was expected to be a repeat of the storm that left 151 people dead and almost 200,000 homeless in the Midwest last weekend. Among the casualties were 15 who died in Michigan, 13 of whom apparently suffered heart attacks while shovelling snow. Two froze to death.

The storm moved into the eastern America causing ice freezing rain bringing snow and freezing rain. The force of water whirled through the streets of city Pennsylvania. In St Louis, the city's worst snowstorm in 70 years left nearly 14 in. of snow during the weekend. The 40 mph winds whipped Colorado after 10 in. of new snow in the high country.

Ramstein, West Germany.—A United States Air Force F15 fighter lost an anti-air missile over the Black Forest, and officials warned the public that it could

Waldheim waits for a new job

Speculation has been aroused because of a United Nations ruling which bars a retiring secretary-general from taking a government job.

Swedes collect for the forces

Stockholm. — The Swedes worried that their coastal

up to par after a Soviet submarine ran aground off the naval command post in Karlskrona last October, have started a collection to help modernize the armed

Gifts so far amount to about 200,000 kronor (£18,867). Mr Harry Lind from Uppgrana was thanked by the army after he donated 1,010 kronor from his savings. He was told it would be used to buy a special camera for a coastal helicopter.

From Harry Debelius
Madrid, Feb. 7

Pakistan's relations with Libya since the late Mr. Muftik Ali Bhutto's Government was ousted in 1977 have been uneasy. Mr. Akbar Shahi, the Pakistan Foreign Minister, made an unannounced visit to Libya last month the subject of which has never been explained.

Bonn coalition strained by job scheme

From Patricia Clough Bonn, Feb 2

Residents contacted by telephone said the town and its army post were attacked at about noon on Monday

or more than a month but it was too early today to tell if the attacks were the start of or just a flare-up. Radio Caceremos hinted strongly on Monday that an offensive was near but indicated it would start in the working-

President Reagan's Administration has announced that it is sharply increasing American military aid for El Salvador and disputed recent reports that Salvadorian troops massacred hundreds of unarmed civilians.



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ZIA CLOSES LIBYAN CENTRES

CENTRES

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Two whites held in Bulawayo

From Stephen Taylor

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

Protest over press curbs

ing in your own country", a view widely echoed elsewhere.

Botha promises consultation

From Michael Hornsby, Cape Town, Feb 2

3

Marchais party debates its election failures

From Jonathan Fenby, Paris, Feb 2

The French Communist Party opens its triennial congress tomorrow in guest of a new lease of life to reverse a pattern of steep electoral decline and nagging internal differences. Despite the presence of four Communists in the Government, the party is at its lowest ebb since the Second World War. From an average of more than 20 per cent of the vote in successive elections up to 1959, the Communists fell to 15 per cent in last year's presidential election. An internal party survey is reported to put their present electoral following at only just over 10 per cent. The downward trend has also been evident at recent local elections and the party chose not to field any candidates in four by-elections last month. This kind of record might be expected to put the leadership of most political movements in jeopardy. But Communist leaders, from M Georges Marchais, the secretary-general, down, are expected to be triumphantly confirmed in their posts at the five-day congress in the Paris suburb of Saint-Ouen. Some explanation of what has gone wrong is needed, however, and M Marchais and his colleagues have shown they have long memories when it comes to finding a culprit. The fault, they have decided to tell the congress, lies with the party's leaders of 25 years ago who failed to chart a proper course in the destalinization period after 1956. With the blame laid primarily on dead men, the leadership can turn this week to explaining how it plans to achieve its aim of 'building socialism in the colours of France.' Its main problem is that President Mitterrand and the Socialist Party are already doing precisely that. With a Socialist administration firmly in power pursuing a radical programme of reforms, the room left for a mass Communist movement is obviously questionable. Awareness of this has led to a barely concealed internal debate reaching up to high levels in the party between those who see participation in the Government as the only way of boosting the party's standing, and others who think that association with the Socialists is both ideologically wrong and electorally dangerous. Marchais has been performing a balancing act between the two groups, with the aim of preserving party unity. The danger is that, by shifting from one side to the other, the party may bewilder rank-and-file members and speed up the decline in the number of active cell militants that has been evident in recent years. The hard-line attitude is very much in evidence in the party's insistence that the military takeover in Poland was an entirely internal affair, that the Soviet Union was in no way involved, and that Solidarity had gone too far. The Saint-Ouen congress, which will be attended by Mr Jozef Cyrtek, the Polish Foreign Minister, will not dissent from that line, but it has inevitably led to the party being widely cast in the unpopular role of a lapdog of Moscow. On the other hand, M Marchais has insisted that the Communist ministers are there to stay and that the party must work with the Socialists to achieve a joint programme of reforms. This has been tempered, however, by rising criticism of the Government from the powerful Communist-led Confederation Générale du Travail (CGT). M Henri Krasuski, who will become head of the CGT later this year, said at the weekend that the gap of change was too slow in certain areas and that the Government was disappointing its supporters. While the general labour peace that has reigned since last summer continues there has been a flurry of labour agitation to protest at the way the reduction in the working week to 39 hours is being applied, and the Government is well aware of the damage which widespread CGT action could do to its economic recovery plans.

Employers in Spain vow to fight

From Richard Wigg, Madrid, Feb 2

The head of Spain's influential employers' confederation and Señor Felipe Gonzalez, the Socialist leader, have clashed over nationalization. It was one sure sign that electioneering had begun amid the uncertainty about how much longer the Calvo Sotelo Government can battle on without a stable majority.

Señor Carlos Ferrer, President of the CEOE, decided to give an assurance that his organization would not seek to bring down a Socialist government if it won power.

But while in Seville yesterday to survey the prospects in Andalusia's first elections to a regional parliament, the Catalan industrialist and banker indicated the employers would fight nationalization by the back door and refuse to support a Socialist model of society.

Since the employers' organization took part in the Galician regional elections last October, when Señor Manuel Fraga's right-wing Democratic Coalition defeated the ruling Centre Democrats, no one here is surprised by Señor Ferrer's intervention.

Señor Ferrer denies that Spain's employers want to see a fusion of the Centre Democrats and the Fraga forces before the polls or that he favours an early general election.

The employers' leader spoke out in spite of Señor Gonzalez's assurance in an economic weekly that the Opposition party does not intend to nationalize anything if it wins power.

The Socialists' party conference in the autumn only committed the leadership to studying the possible nationalization of the energy sector and some fields of banking.

"For the present, in view of the state apparatus already existing in Spain, nationalization would only bring impoverishment," the Socialist leader declared it was not true to identify nationalization with progressive attitudes or vice versa. Fraga had nationalized as had Italy's Christian Democrats.

FRONTIER TRAFFIC RESUMES

From Harry Debelius, Madrid, Feb 2

Traffic flowed smoothly in both directions at points all along the Franco-Spanish border today after police took over from striking French customs officers and ended a four-day border blockade that had stopped thousands of big lorries on both sides.

Last night, the situation began to improve at crossing points in the Irun-Hendaye area, near the Bay of Biscay, and then at La Jonquera, at the eastern end of the Pyrenees, as the lorries began moving slowly. Earlier yesterday a route had been opened for private passenger cars at the western end of the border.

Nevertheless, with as many as 4,000 lorries affected in each of the principal crossing areas the backlog was not expected to be cleared for another day at least.

French police offered special escorts to convoys of Spanish vehicles on certain main routes to prevent any repetition of the recent attacks by French farmers on lorries and trains carrying Spanish fruits and vegetables.

Carrington quotes Marx on Russia

From David Watts, Manila, Feb 2

Prospects for world peace will be improved if certain countries can be persuaded that voluntary acceptance of constraints does not limit their sovereignty, Lord Carrington told a festive audience at the University of the Philippines today after accepting a doctorate of law. It would be, for example, in the interests of Namibia and all its neighbours that Pretoria be given assurances that an independent Namibia would not become a base for operations against South Africa.

The Foreign Secretary, making the main speech of his South-East Asian tour, described what he saw as the threats to peace and outlined the ways in which peace might be strengthened by the non-communist world.

A theme of Lord Carrington's tour of the five countries of the association was support for ASEAN's stance on Cambodia and the Foreign Secretary took the opportunity today to praise the group's efforts.

"Similarly in Afghanistan," Lord Carrington went on, "we would consider it perfectly acceptable that the withdrawal of Soviet troops should be accompanied by appropriate undertakings that Afghanistan will not threaten the security of the Soviet Union. And a Vietnamese withdrawal from Cambodia should probably call for similar undertakings."

Lord Carrington went on to say that the British Government admired and supported the determined and skilful efforts of ASEAN, and especially of the Philippines, to resolve the problem of Cambodia.

"The international community will not acquiesce in continued Vietnamese occupation of Cambodia. I very much hope that a solution can be found which safeguards the vital interests of all who are concerned with Cambodia, including, of course, Vietnam, and which allows the people of Cambodia to exercise their right to self-determination."

The Foreign Secretary, who already holds similar law degrees from the universities of Cambridge and Leeds, quoted Karl Marx to illustrate the need for the West and like-minded nations to remain "the earnest and unyielding opponents of the Russian projects of annexation and aggrandisement".

Marx wrote in 1853: "As sure as conquest follows conquest, so sure as follows annexation, so sure would the conquest of Turkey by Russia be only the prelude to the annexation of Hungary, Prussia, Galicia (i.e., Poland) and the ultimate realization of a Slavonic empire, the Russian scheme of annexation is a matter of the highest moment".

Lord Carrington added a postscript for 1982: "We have a duty to see that it goes no further".

□ Kuala Lumpur: Malaysia today served notice that its support for Cambodia in the United Nations was not absolute. (Our Correspondent writes). David Sir Mahipal Mohamed Malaysia's Prime Minister, in a clear reference to the Pol Pot regime, said that the "intransigent attitude of certain parties is very much regretted... (and) it may no longer be worth while for us to support their position in the United Nations".

The statement, made to the fourth annual meeting of the Asean Interparliamentary organization, came as a surprise to other Asean member states. It contradicted a statement of Tan Sri Ghazali, his Foreign Minister, made only last week, that Malaysia would continue to support the Pol Pot regime despite its refusal to join a coalition of anti-Vietnamese forces in Cambodia.



Jozef Bilinski producing one of the daily programmes in Polish. Since the imposition of martial law in Poland, the broadcasts have been increased to 3 1/2 hours a day

A service on which the sun still never sets

There is something almost deliberately understated and restrained about the celebrations that the BBC is mounting this year to mark the fiftieth anniversary of broadcasting to the world. Nothing showy is planned, just a service in St Martin-in-the-Fields, a concert at the Royal Albert Hall and an international painting competition on the theme "Nation Shall Speak Peace Unto Nation".

It is somehow typical of the calm, old-fashioned, almost religious atmosphere which pervades Bush House, the twentieth-century tower of Babel stranded on its island site in the Aldwych, from which broadcasts in 37 languages are beamed to the furthest corners of the globe. The eight-storey building which suffers one of the worst fire systems in London, and is only now being rid of the dangerous asbestos lining its walls, is a temple of plain living and high thinking which still exudes a Reithian sense of gravitas and earnest commitment now perhaps less often found in the corridors of Broadcasting House.

When the BBC started broadcasting overseas in 1931 it was under the title of the Empire Service. Bush House, sandwiched between the Australian and Indian High Commissions, and the home of BBC External Services since 1940, remains one of the last imperial outposts in a post-imperial age. The aim may now be cultural influence rather than colonial domination but the belief in the benefits of spreading British values of liberal democracy and fair-minded tolerance remains as strong as ever. The strains of the march *Imperial Echoes* still introduce the daily radio newscast on the World Service.

Admittedly, there is a distinct feeling of an empire in retreat. Thirty years ago Britain was easily at the top of the league table of international broadcasters in terms of hours broadcast every week. Now we are down to sixth place with North Korea and Albania breathing down our necks. The beginning of this year saw the axing of three language services, the Italian, Spanish and Maltese (the last admittedly had a staff of only one) because of Government spending cuts.

In size of audience, however, the BBC remains top of the table. The latest research gives BBC External Services a global audience of 100 million (excluding China, from which no figures are available), significantly more than those achieved by either Radio Moscow or the Voice of America. That is despite ageing transmitters, many dating from the Second World War, which produce a signal for the BBC in most parts of the world that is weaker and more difficult to pick up than that of its rivals. Money is now at last available for a complete replacement programme.

The more irreverent inhabitants of Bush House say that the reason for the BBC's large audience is the continuing pre-eminence of British pop music. The Polish service receives as many letters about the Top Ten as it does about the activities of Solidarity and a recent British visitor to Soviet Central Asia was surprised to find his tour guide complaining bitterly that the World Service Pop Club was transmitted too late at night.

But what chiefly distinguishes the BBC from its main competitors in the field of external broadcasting, and must in large part explain its enormous audience and unique reputation, is its political independence and impartiality. Although financed by a grant-in-aid from the Foreign and Commonwealth Office (£63m for this year), the External Services are totally free of any editorial interference by the Government. There are no Foreign Office personnel in Bush House and the department's involvement is limited to discussions about the duration of broadcasts

and the countries to which they should be aimed. No other major external broadcasting organization enjoys such freedom.

This independence was won by Lord Reith when he first set up the Empire Service. The Government was keen on the idea but unwilling to provide the money, so Reith financed the service from the BBC's licence revenue. The Foreign Office took over the funding when the first language broadcasts started in 1938, but only after Reith had fiercely resisted the idea of a Government-run propaganda service and had firmly established the principle that the BBC would have total editorial freedom.

The first language service was in Arabic because it was being used by the Italians at the beginning of their Abyssinian campaign. Its opening news bulletin on January 3 1938 carried an item about the execution in Palestine of an Arab by the British authorities for possessing a rifle, exactly the kind of information that would not have been broadcast on a government-run service.

It was during the war that external broadcasting really took off as a steady stream of refugees came to London to speak to their occupied homelands. On the outbreak of war the BBC was broadcasting in seven languages; by the end it had transmissions in 40. A campaign initiated by the Belgian Service led to resistance fighters chalking up the letter "V" for victory on walls across Europe and Eisenhower used the European Services to announce the D-Day invasion of France and to issue instructions to French civilians.

The wartime expansion led the BBC's external services to forsake Broadcasting House and move to the



Anatol Goldberg, a Russian and one of the longest-serving members of the BBC's external services. His name used to be unmentionable in the Soviet Union; now it rates 1 1/2 pages in a government publication

building which the American entrepreneur, Irving T. Bush, had originally intended to be an international trade centre. In September 1940 the BBC took over the J. Walter Thompson studio in the south-east wing which had previously been used by Radio Luxembourg. The Corporation has gradually taken over more and more of Bush House, and been a tenant first of the Church in Wales and now of the Post Office Staff Superannuation Fund.

A few of those who came to the BBC as refugees during or immediately after the war are still working in Bush House. Among them is Anatol Goldberg, a Russian who joined the Monitoring Service, another part of the external services empire, the week before war broke out, and is now chief scriptwriter and commentator for the East European service. A man of immense charm and courtesy, whose manner and appearance would fit equally well in a Le Carré novel or a pre-war Vienne salon, he regards himself as "the last

vestige of the war-time generation".

Goldberg says that he has often been recognized on visits back to Russia. Two ladies in Leningrad, who said that he could be heard loud and clear right down their street, even gave him a leading position in their imaginary world government.

"The official Soviet view of me has changed", he says, "There was a time when the line was that I didn't exist. Now there is a government publication about the BBC which has one and a half pages about me".

Another wartime refugee still working at Bush is Jozef Bilinski, who originally came to Britain to join the navy in 1940. For the past 28 years he has worked in the Polish service, which had six million regular listeners when the last audience research study was carried out more than a year ago.

Since the beginning of this year the service has been jammed on short wave by three Soviet stations. However the medium wave transmissions, which would require local jamming, have apparently been unaffected and Bilinski has definite proof that his voice is being heard in his homeland. Last week he got a card from an old friend in Warsaw which said: "You sound as if you've got a bad cold. I hope it is getting better".

Chris Posenicki, controller of the Polish service, represents a younger generation of refugees who have made their home in Bush House. He came to Britain in 1969 and now heads a department of 25, all but one of whom are native Polish speakers. He is particularly proud that during the period of Solidarity's existence the Polish service was able to reflect every political viewpoint in the country. In one programme there were telephone interviews with a member of the Council of State, an official Government spokesman, a Catholic intellectual, a Solidarity spokesman and an old-time dissident.

Broadcasts in Polish have increased from three to three and three quarters hours a day since the declaration of martial law. Like much of the output of Bush House, they seem to belong to a calmer age of radio broadcasting when the domestic networks seem now to have left far behind. As the signature tune (*The Voice of London* played by the Queen's Hall Light Orchestra) fades, Joseph Bilinski, wearing his Royal Navy uniform, cues in his announcers to deliver clearly and slowly unedited translations of dispatches from BBC correspondents around the world and news of cultural, political and technological developments in Britain.

Douglas Muggieridge, managing director of external services, denies that there is any sense of Reithian superiority among the inhabitants of Bush House over their trendier cousins in Broadcasting House. "The principles by which we work are identical," he says. "First and foremost we are BBC people and that is where our loyalty is. The only difference is that here we are broadcasting to an international audience and for that reason our priorities are different. A *coup d'état* in Thailand is more important for us than a victory by the SDP".

It is a perspective that is apparently shared by a growing number of people in Britain who listen to the World Service in preference to the domestic networks. Ironically, this is only possible at the moment because of unintended back radiation from transmitters in this country designed to beam broadcasts to Europe. With the modernization programme due to begin this year, it is quite likely that the BBC's external services will no longer be audible here. It is an unfortunate fiftieth birthday present for a growing group of fans whose taxes pay for the services.

Ian Bradley



Rabbi Dov Rokach, right, recognized leader of Jewish orthodox, at Heathrow yesterday when he arrived for a seven-day visit in which he will open a new Rabbinical college in London.

Pentecostalist abandons Moscow hunger strike

By Our Foreign Staff

Miss Lida Vashchenko, the 31-year-old Soviet Pentecostalist who went on a hunger strike more than a month ago in the American Embassy in Moscow in an effort to emigrate to the West, has ended her fast, United States officials said yesterday.

In a telephone link-up with a press conference in London, a spokesman for the American Embassy said that United States officials who visited Miss Vashchenko in a hospital yesterday morning had found her taking solids for the first time. A piece of bread was lying on a table in the hospital room where she is apparently being well treated by Soviet doctors, the spokesman added.

Miss Vashchenko's sister, Lyuba, who is still living in the one-room basement flat of the Embassy in Moscow where the family took refuge three-and-a-half years ago remains highly doubtful that Lida has abandoned her fast.

She told reporters in London by telephone yesterday she was almost certain that Lida, who had vowed to continue her hunger strike in hospital, would in only be taking liquids such as soup and fruit juice.

Miss Lida Vashchenko was taken to Botnitsky Hospital, in Moscow, on Saturday after she had lost weight during her hunger strike. American officials explained that she needed more advanced medical treatment than they could provide in the Embassy. Dr George Hobbs, a British doctor who examined her in the embassy just before she left for hospital accompanied by American officials, reported yesterday that she was "free of physical" damage except for her loss of weight.

Dr Hobbs, who attended the press conference in London, organized by the campaign to free the pentecostals, who originally came from Siberia, was asked to examine Miss Vashchenko because her family feared that she might be mistreated by the Soviet authorities.

In another telephone link-up with London, Miss Vashchenko's Soviet doctor told reporters yesterday that hospital authorities doubted whether their patient had been on a hunger strike for as long as a month.

Miss Vashchenko's 52-year-old mother, Augustina, who has also been refusing food in the embassy flat, is continuing her protest.

Japan's blackboard jungle

From Peter Hazelhurst, Tokyo, Feb 2

A Japanese teacher was taken to hospital in Tokyo with ruptured internal organs last week after he attempted to discipline a 14-year-old boy during school hours. Defying the Confucian ethics of his forefathers, the boy and his friends turned on the master and beat him up.

On the same day two 15-year-old students rushed up to the rostrum in a classroom in Yokohama and began slapping a 50-year-old teacher who had reprimanded them.

The two incidents serve as examples of how a new generation of Japanese children are no longer adhering to the social mores of obedience and discipline which helped to transform Japan into the world's second economic power during the last three decades. The older generation is worried. Last year the police arrested 150,000 minors in what has been described as a record level of juvenile delinquency in postwar Japan. Juveniles, mostly high school students, committed 184,902 crimes last year, a rise of 55 per cent over the level recorded five years ago.

Many Japanese are even more perturbed by the latest police reports which show an alarming rise in the rate of violence in school classrooms.

Much to the surprise of social scientists in this otherwise highly disciplined and organized society, a police report that the number of cases of violence in schools increased by 33 per cent to a record of 2,085 cases last year.

The report also reveals that in many parts of the country school teachers, a profession which was revered and respected by an older generation, have taken the unheard-of step of asking for police protection.

One of the worst affected institutions is Komatsu Junior high school in Tokyo where police protect teachers during graduation ceremonies. Parents have also been forced to pay for damaged windows, fire alarms and equipment destroyed by juvenile delinquents.

In the latest case Mr Sasaki Yamada, aged 30, a Tokyo teacher, was taken to hospital in serious condition last week after he was kicked and punched outside his classroom. He had reprimanded a boy, aged 14, who was tampering with fire equipment in the corridor.

On the same day police took 16 students into custody after they attacked 10 teachers in Tagajo City, central Japan.

"We cannot hit back even if we are attacked and mobbed by students. Sometimes they kick us from behind to show off in front of other students," one of Mr Yamada's colleagues said.

Most teachers claim that troublemakers are dropouts who cannot be punished physically or expelled from school under Japanese law, which prohibits corporal punishment and even corporal punishment up to the level of junior high school.

According to a spokesman for the national police agency, junior high school students are responsible for most of the attacks. "In one case we had to close an entire school. Steel pipes and chains are used", he explained. In another case a mother recently strangled her delinquent son and then committed suicide.

"Although the problem is not as widespread as it is in New York it is ominous in the sense that we have never had to deal with this sort of disobedience on this sort of scale in the past. The previous generation were obedient and polite when they were at school. This could be evidence that Japanese society is on the brink of drastic change". Miss Yoko Watanabe, a social scientist, said.

Pym's game: The stakes are raised

by Peter Stothard

Francis Pym's blunt message to the nation to expect continuing high unemployment and to moderate its expectations of living standards did not come as a surprise to his political friends or enemies; but the massive reaction to it did.

Since he became the Government's chief information coordinator just over a year ago, Mr Pym has consistently preached the realism of the long road ahead to recovery. From Altmick to Putney he bashed out the same bad news. Few wanted him to say it and few wanted to believe it.

His appointment to direct the government's publicity machine was always seen by Tory "dries" and professional Whitehall information officers as akin to making Cassandra the PR girl for Tory. On the other hand, many Tory "wets" who were supposed to be his allies saw his campaign of speeches as at best pusillanimous and at worst self-seekingly equivocal.

So when on Monday night he stood up before the Allied Brewery Trades Association and regaled it with the same unhappy refrain that government policy "cannot lead to an early return to full or nearly full employment", nobody much expected that a political storm would burst in the lap of Mr Pym himself.

One reason for the strong reaction is, of course, the high degree of uncertainty surrounding the run-up to the Budget on March 9. Another is the high degree of doubt — much voiced in Westminster yesterday — about Mr Pym's motives.

In recent weeks the Treasury has been conducting an apparently successful campaign to get the tough Budget which it wants. Its ministers have spoken of the Government "winning the battle" and the economy "moving in the right direction" to a position of "steady recovery". Last week's Cabinet meeting on the economy, at which Mr Pym made no more than his usual muted contribution, left ministers with the feeling that not much extra would be done to bring the country more quickly out of the recession.

With the spectre of US interest rates hanging menacingly over the Budget judgment and threatening to make nonsense of any decision over whether a mere £1,500m or £3,000m be given to help industry, the wets stood in disarray. All the Treasury saw that it had to do was to keep on putting out the promise of the good times ahead on its broadly unchanged and unchangeable policies.

So what was Mr Pym trying to achieve by this latest of his

"realism" speeches? The most obvious answer is that it was simply a repeated call for the Chancellor to do more to help industry than he is currently intending.

According to this view, Mr Pym has seen the Treasury's so-called "recovery ahead" and does not like what he sees. Sir Geoffrey Howe's "recovery" is no recovery at all and, in the absence of James Prior in Northern Ireland, Lord Carrington in the Far East and William Whitelaw in who knows where, it falls to Mr Pym to marshal the opposition battalions.

There are snags with this interpretation, however. And they were put forward yesterday by noticeably more backwoodsmen "dries" than by MPs who know Mr Pym at all well. Although it is certainly true that Mr Pym would like a little more flexibility from the Chancellor, he needs to tell how little real room the Budget makers have for manoeuvre with the uncertain prospect for United States interest rates. Nor is he unaware of how little short-term difference to employment even a very large fiscal stimulus would bring.

The alternative view of Mr Pym's strategy is that he sees more electoral trouble ahead for

the Conservative Party from the disappointment of too high expectations of living standards than from the lowered living standards themselves. He has a gut belief that the British people appreciate plain speaking and fears that such credit as the Government might be able to claim for its tough economic measures will be swept aside by a crashing of high hopes.

On this interpretation Mr Pym is a Tory loyalist who, while skillfully distancing himself from the Prime Minister, does not want her to change her course.

It is fashionable to praise Mr Pym as a consummate politician while deriding his effectiveness — even denying that he is making any effort — in the job of chief government news coordinator.

He is determined to stop the Treasury fighting its Whitehall battles by misleading the public and endangering Conservative election chances.

The Cassandra has been consistent; while Mrs Thatcher will not thank him for it and will continue to brook no charges of error at 10 or 11 Downing Street, he stands to win the thanks and possibly much more than the thanks — of the Tory party in the end.



Richard Ford on the key issues in Ireland's snap election

Dublin "He's right", shout the campaign posters of Dr Garret Fitzgerald's Fine Gael party, plunged into a general election after defeat on tough budget proposals aimed at resolving Ireland's economic problems.

But whether the nation's 2.2 million voters, faced probably for the first time in the state's history with an election in which the politicians have few or no sweeteners to offer, accept his "hair shirt remedy" for the crisis is another matter.

Rarely can an administration have entered a campaign with such an inauspicious start. Hit in the solar plexus by the one-vote defeat, wrangling in the small Labour Party on the advisability of fighting on a joint ticket with their coalition partners and then, 48 hours after the budget, dropping the plan to put 18 per cent VAT on clothes and footwear for children under the age of 10.

Though all three major parties were short of funds and policies, it is the coalition who, just seven months after taking office, have the uphill task of fighting on budget proposals that hit almost every sector of society.

"How typical of Ireland to have a government fall over the price of a pint", said one man after the defeat on the proposal to increase beer by 2p a pint. But that was only one of many Draconian measures outlined in what Dr Fitzgerald himself admitted was the "toughest budget in the history of the state".

The country seemed almost weary at the prospect of another campaign so soon after last year's but, with a degree of energy that would surprise the major parties in England, rival posters were appearing on Dublin's streets within hours of the government's collapse.

And the coalition have recovered quickly from that initial shock defeat and pinned their survival firmly to the budget proposals in the hope that they will get support for being seen to take political and financial measures.

Little other strategy was available to them, having made the fatal political miscalculation of not securing the support of Independent members on whom they relied for survival. To retreat in any major way from their proposals would have had a devastating effect: their political credibility would have been in tatters.

Credibility, honesty, and responsibility have suddenly become issues in Irish politics during recent months as the nature and scale of the

problems facing the country became more apparent. They are issues on which Dr Fitzgerald can hope to capitalize and already, as he says, that honesty as well as the budget, will be a key issue.

"I think the issue in this election is who you trust," he said in opening the Fine Gael election campaign. There was no alternative to his budget strategy, he added, using a refrain reminiscent of Mrs Thatcher's reply to her critics. Then he proceeded to wrap the issue of the national crisis firmly around himself, saying "politics is not just about staying in power, for the sake of staying in power. There are times of national emergency when the country has to be put first".

Though stressing that the economy is a major issue, Fine Gael strategists will continue to project Dr Fitzgerald as the man the people can trust. There is, they believe, still a lot of goodwill towards him. In contrast, the opposition Fianna Fail are unlikely to be content with a presidential-style election confrontation between Dr Fitzgerald and Mr Charles Haughey but will hammer away at the budget.

Already Fianna Fail advertisements are appearing in newspapers emphasizing the full increases announced last week and saying "Reject the coalition budget". But if Mr Haughey thinks, as he and his party appeared to do in

the euphoria following the Dail vote, that he can attack the budget and watch the government sink, without putting forward detailed plans, it could prove a grave miscalculation.

If the Irish are united on one thing, it is the realization that the economic boom of the 1970s has ended and the recession is here for some time. The coalition have dismissed what the opposition are offering as "a three-card trick of shifting positions," and will stump the country demanding details of Mr Haughey's remedies for the economic crisis.

The problems are daunting. Inflation is running at 23 per cent, unemployment stands at 14,000 (11 per cent of the population), and the total national debt is £1,500m. The current account deficit is 7.9 per cent of gross national product and the annual cost of servicing the debt is £1,054m. Total government borrowing is 17 per cent of GNP which Dr Fitzgerald's administration planned to reduce to 14 per cent.

Mr Haughey, whose performance as Prime Minister disappointed many people, opened his campaign with a backslure press conference. Despite persistent questioning he did not give details of the alternative budget he would introduce and on the current deficit, which the government aimed to reduce from £1,500m to £750m this year, he said: "We would aim to phase out the current budget deficit as soon as economic and fiscal conditions allow".

Within 24 hours, Fine Gael's strategy appeared to be working as the opposition were forced on to the defensive, with Mr Haughey's spokesman admitting they would have to increase taxes in some areas, and agreeing that Fianna Fail, if elected, would reduce the current deficit to the same level proposed by the coalition.

Fianna Fail's difficulties on economic strategy are a major credibility problem. Only two years ago, Mr Haughey, then Prime Minister, told the country in a

broadcast that it was living beyond its means and domestic affairs had to be put in order. But in the dying days of his premiership he was denying that there was a crisis and only recently has brought Dr Martin O'Donoghue, the man many blame for the nation's current problems, back into the cabinet team after dismissing him when he became Premier.

But for Mr Haughey, the election has come at just the right time. His party, Ireland's natural party of government, has sat uneasily in opposition and his performance as leader has been under growing attack, not only from MPs but from local parties in the country. Only two weeks ago, a Kildare backbencher was expelled from the party for a thinly veiled attack on Mr Haughey's leadership. He has now been welcomed back into the fold and all differences are being submerged as the party begins to campaign.

Though many in Britain think that Northern Ireland is an issue in the republic's politics it is generally not the case and both the party's leaders are united in believing that it will not be a substantial issue during the next three weeks. Whoever wins, the Anglo-Irish talks will continue although if Mr Haughey returns to power, the constitutional issues launched by Dr Fitzgerald aimed at making the republic less sectarian will be over.

In any case, the Irish face tough years ahead but in personal terms this election is crucial for the leaders of all three political parties. None of them, if defeated at the polls, would be expected to last long as leader.

Fianna Fail are being tipped as favourites but Dr Fitzgerald has the edge in the leadership stakes, both in popular approval and on his record as Premier. His honesty and credibility are high, and he may well return to power on the basis that though he has had only seven months in office, the electorate are prepared to give him another chance. His major handicap is Fianna Fail's strength in the country, and the danger that his Labour party may see their vote and number of seats crumble even further.

What all parties are agreed on is that another result in which no one won on overall majority would be the worst outcome. However, with the vagaries of proportional representation and the intervention of Provisional Sinn Féin, that may be what the Irish voters are counting on as the votes are counted.

Henry Fairlie

Imagine 'Brideshead' without sex or religion...

Telephoning three people the other Monday evening in three different time zones, I met the same irritated and even abrupt response from them all. They wanted me to get off the line as quickly as possible. I had unthinkingly chosen the hour of 9 pm in each zone, from New York to Wisconsin to Colorado, when the second episode of *Brideshead Revisited* was being shown on public TV. The television had pulled it off again. By the end of the first episode — three have now been shown — it had hooked tens of millions of Americans.

It is not yet clear to me how the story can be spun out over 13 episodes. But even if there are some less than exciting passages, that will not bother Americans.

Ever since they were captivated by *Upstairs, Downstairs* eight years ago, fretting for months when Lady Bellamy went down in the *Titanic*, they have been willing to watch almost any series which Britain sends over, however remote the story from their own experience and environment.

Mobil Oil raves in sponsoring *Brideshead*. Alistair Cooke raves on his introductory to each episode television reviews rave about the production, wondering why the American networks cannot do the same, and most of one's friends are delirious with delight.

One cannot detect more than a little snobbery in the response. There is a middle-brow snobbery in America that praises everything on public television and disdains everything on the commercial networks as a blight; it praises anything British over the home-grown product, as it will praise Bird's custard powder even over a hot fudge sundae. And there is a persistent snobbery in America that either openly or covertly likes nothing better than a good story about an aristocratic family with a name like Flyte. If one of the *Brideshead* characters is Sebastian, that goes down all the better. If another is called Anthony Blanche, that does no harm, either.

It is true that commercial television here is much more of a wasteland than it should be and, one suspects, need it be too cowardly in the face of the ratings; it under-

estimates viewers' intelligence and taste; and usually it will not persist in experimenting with a good programme if it is not popular in the first few episodes.

There was a good example earlier this season of how the commercial networks often both their attempts to produce a programme comparable to one of the better British series. ABC went to the expense and trouble to make a six-hour drama called

centred on little more than a rather silly and in the end boring romance, with only a few dutiful looks at the way the Irish clanked and clattered their way out of their ghettos.

Everything that was brilliant, passionate, fierce, brutal in the story of the immigrants was made glossy. Even the building of the railroads across the country, in which the Irish played so large a part, was told with only a few conventional hints of the exploitation, or even of the sheer human cost of the extraordinary endeavour. A continent was conquered by steel rail. It might have been boys playing with Meccano.

This is all the more strange since even in what is little more than a prime time soap opera, *Dallas*, there was some willingness to come to grips with the harshness of the kind of lives it depicts. Yet there is a lesson to be learned even from what has happened to *Dallas*. Today it is neither as lusty nor hard-boiled as it was in the beginning. It certainly no longer attracts the same following as when everyone was wondering, "who killed J.R.?" What has happened?

Although the networks deny it, they are sensitive to the pressure of the religious groups, which by and large compose what is called "the moral majority", who have appointed themselves moral watchdogs of American life. Their campaign last year to boycott the goods advertised on the programmes of which they disapproved may have failed. But their relentless voice has encouraged a more conservative spirit in the programming of the three large networks.

If *Brideshead* had been made specifically for the American networks, both the sex and religion would have been cut out. That would rather be like cutting out the whaling passages from *Moby Dick*.

It is not only religion and sex which are now handled more gingerly. As in *The Mansions of America*, in which the raw political struggle of the Irish immigrants should have been central — politics was really put into the margins.

Except in the occasional documentaries, politics is not a prime time subject. In so

far as politics is given a place in the stories it is a politics only of personal ambition, greed and corruption.

It is all the more sad because American television can sometimes do a superlatively good job. A 90-minute CBS documentary broadcast last Saturday traced how the military authorities during the Vietnam war persistently lied about the size of the North Vietnamese and Vietcong forces opposed to the American army so that, when the vast numbers burst forward in the Tet offensive, it was not clear to the American people where they had sprung from.

The whole programme was a piece of reporting of high quality. It was characteristic that CBS should screen it at 9.30 on a Saturday evening when the prime time audience is neither as large nor as attentive as on other days.

The networks are quick to respond to and exploit a popular mood. Two of the new cop shows this season, *McLaine's Law* and *Strike Force*, are almost disdainful of suspects civil rights. The police are celebrated for breaking the law to get their man. Both programmes are typical of the willingness of the networks to follow public opinion or taste. They are, simply, alarming shows.

Yet there is a revolution afoot which may change American television so radically that the networks may barely survive in their present form. The cable television systems here will soon have 60 channels; it will not be long before perhaps a third of American homes receive them. Even with these numbers, cable television will create particular audiences of fairly well-off viewers, to whom the advertisers wish to appeal.

Even the networks, as they push into cable television to save their very existences, are launching cultural and news programmes, which previously they did not bother to make. The telecommunications technology, partly as a result of the programme, is only in the most elementary stage of its development. But it would not be surprising if, by 1990, American television had at last replaced Britain in the prestige which its programmes earn.

Reminded that the Northern Ireland situation is a political one, I am reminded that the networks are quick to respond to and exploit a popular mood. Two of the new cop shows this season, *McLaine's Law* and *Strike Force*, are almost disdainful of suspects civil rights. The police are celebrated for breaking the law to get their man. Both programmes are typical of the willingness of the networks to follow public opinion or taste. They are, simply, alarming shows.

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Think tanks tearing Tawney apart

There is an unseemly tug of war for the soul of R. H. Tawney, the economist, historian, after whom the Social Democrats have named their new think tank, the Tawney Society.

A barbed note from Lady Jeger in *The Times* yesterday marked the disapproval of one socialist who was actually watching a plaque being unveiled at the saint of socialism's London home on the day the SDP's Gang of Four were busy having one of their gestatory summit meetings.

"Tawney would be turning in his grave", claimed Dianne Hayer, general secretary of the Fabian Society, "if he had known the Social Democrats were using his name in such a fashion." (One wonders how still Fabianism lies.) "They are betraying his memory", she said. "It is dishonest. I do not believe that SDP members support his ideals. If he were alive he would see. He would still be in the Fabian Society, and he would still be in the Labour Party."

Hayer said the SDP no more than tolerate the trade unions which Tawney championed, that Tawney — who died 20 years ago — would never have supported a mixed education system, and that his belief in equality of opportunity would have allowed him no truck with inherited privilege.

Lord Young of Darlington, chairman of the Tawney Society's provisional committee, who imbued his political philosophy as

Tawney's pupil at the London School of Economics, said: "The Fabians are entitled to their views, but Tawney was par excellence a democratic socialist. It is the fate of great men to have their names fought over. How many different kinds of Marxists are there?"

Hugh Gaiskell, said Young, cited Tawney's shock at hearing in a local Labour Party meeting the view that party conference decisions should be binding on the parliamentary party. Tawney thought it was absolutely wrong and anti-democratic, and that of course was the issue on which the SDP was formed.

Grape hopes

New Zealanders have been blending over backwards to sell more wine abroad. They are also titillating our appetites with skin contact. It may not sound it, but wine-making is a serious, and booming, business in the land of the long, white cloud, where they are very earnest about things like cold fermentation, bulk maturation, and submerged caps. Back-blending, incidentally, is what Kiwis call the German method of adding unfermented grape juice to sweeten wine, and skin grape skins.

The rush is on to export the wines because vineyards are being planted so fast in the country that a third of the vines are under four years old, and will soon begin bearing grapes.

Cynics in New Zealand say overplanting of ungrafted vines is proceeding so rapidly in their country that only *phylloxera*, the bug which devastated Europe's

THE TIMES DIARY

A jealous greed has sprung up over gastronomic tours of China. Paul Levy, food writer of *The Observer*, has written a mildly bitter letter of complaint to the International Wine and Food Society, whose London events organizer, Gail Wright, was one of a gourmandizing group he led around the country's culinary capitals last year. Wright is now organizing the society's own spring tour around China, following Levy's claims, almost precisely the same itinerary and visiting all the restaurants and chefs he rediscovered.

Levy's gall is that Wright's articles in the society's journal, *Puffing the pleasures of the trip*, gave no hint that he had vineyards in the last century, can save their industry now. John Avery, the British Master of Wine who was chief judge at New Zealand's recent wine fair, is much more optimistic. "The time will come," he predicted "when Montana's Chardonnay is as well recognized as Bollinger's Champagne."

Bad business?

The editors of the magazine *What to Buy for Business* claim to have uncovered an advertisement which has taken standards in advertising business equipment to a new low. They may exaggerate, but should be attended to, since one

of them happens to be Phillip Oppenheim, the son of the Consumer Affairs Minister, Mrs Sally Oppenheim.

The advertisement which has so offended Oppenheim and his partner, John Derrick, that they have launched their own campaign against it without waiting for the Advertising Standards Authority, is a rather basic one. It asked: "Puzzled by office copiers?" and offered a free copy of "a quick comparison guide." The reader was invited to return the coupon to an organization called the Office Copier Advisory Bureau.

In fact the advertisement was placed by an agency called Contract Advertising on behalf of Kalle Infotec, a subsidiary of the West German Hoechst corporation. Those who return the coupon get a Kalle Infotec sales brochure which, in the words of Tony Waring, the company's marketing director, "is not intended as a comprehensive guide. The Office Copier Advisory Bureau never existed, says Waring, "beyond the fact that we have a lot of people here who can advise about copiers." The advertisement, he adds, engendered "a tremendous response and only one complaint." Nonetheless if it is re-run, it will only be with the company's name.



Myth and hit

Murray Grigor's exhibition of Scottish kitsch, pejoratively entitled *Scottish Myths*, was such a success at last year's St Andrews and Edinburgh festivals that now it is to be both a play and a film.

Grigor, a former director of the Edinburgh Film Festival, got the idea while pursuing a Bicentennial Year scholarship in Hollywood. "Everyone had this stereotype image of Scotland which derived from shortbread tins rather than reality," explained Grigor from his home by the Firth of Forth. "I attended the Long Beach Highland Games at which they played *Flower of Scotland* in conjunction with *God Save the Queen*, a pairing that would be unthinkable here."

Accordingly Scottish Myths assembled the evidence that Scotland was not only living in the past, but in an imagined past. It featured Sir Walter Scott,

"Scotland's first director of tourism"; Harry Lauder, "the knobbly kneed Burns"; and thousands of postcards of "the Aegean of the North".

Brecksadon, Grigor's first play, opens on February 9 in Perth and carries the idea forward by suggesting that all trips must be marketed like whisky, so that there is a Scott product, a Burns product and so on. Participants are taken on a castle tour of a fortress called Dundreich. It is a Scottish joke that dreich means utter drabness. Scotland's film image will be explored more thoroughly at this year's Edinburgh Festival when "an astonishing number of

kailyard films about lowland farms and bonnie briar bushes" will be shown along with the inevitable *Brigadoon* — Scotland seen through the eyes of a New York Jewish writer and an Italian director. Meanwhile Grigor, "a 100 per cent Highland blend from Inverness", hopes to be filming *Brecksadon* for Channel 4.

Raj refit

India's palace on wheels, a pleasure train made up of the state carriages of Maharajahs, viceroys and governors-general, is being taken off the rails to be fitted with some comforts such as dignitaries never knew. The vintage train, a brainchild of Indian Railways and the tourist authorities in Rajasthan, includes the Bikaner state coach, built in 1898; the Maharajah of Navangar's coach with ornate ceiling and Burma teak paneling; the Shervagat state palanquin; and a viceregal coach of pure white. All these, and eight similarly splendid saloons, were retrieved from sidings and railheads around India, cleaned and restored, and set to ply a route passing Jaipur, Amber, Udaipur, Jaisalmer, Jodhpur and the Taj Mahal.

A few months' experience has convinced the operators that the trips must be discontinued in March. Punks and primitive electric fans will no longer suffice. If modern tourists are to enjoy the wonders of the Rajasthani desert they must have air conditioning. So the moving railway museum is to be shunned off the lines for several months to be refitted.

PHS



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

WHO GUARD THE GUARDS?

The Treasury's skill at massaging numbers to suit any current expediency has long drawn the admiration of administrators, politicians and commentators alike. Rarely has it been more remarkably demonstrated than in its official submission to the Megaw Inquiry into Civil Service pay which has so far curiously escaped commentary.

Whatever its prime objective, one consequence of the Treasury's submission is to lay the arithmetical and philosophical foundations for the largest possible pay increase for civil servants, including those employed at the Treasury. Two obstacles stand in their way. First is the 4% pay target which the Treasury ministers announced at the start of this pay round. That, presumably, can be left to ministers themselves to explain away, if and when they concede. Second, and potentially more difficult, is the system of cash limits which many among a naive public take to be the bedrock of the Government's approach to public sector pay. The great contribution of the Treasury's submission is that it explains how the cash limit system can in fact be suspended in the particular case of the civil servants themselves who administer it. This explanation will be especially welcomed by the various other groups of public sector workers who have so far been told during wage negotiations that there is only a finite amount of money in the public kitty and that therefore their unions must accept the painful trade-off of job cuts for pay increases.

The civil service has wriggled out of this conundrum in two stages. During last year's pay dispute they shrewdly pressed Lord Soames, then the Minister responsible, and

he conceded, that negotiations this time would not automatically be restricted from the beginning by a pre-determined cash limit. That gave them a little more elbow room, though the Government then clearly reserved the right still to impose a limit such as 4 per cent in the national interest. The Treasury paper to Megaw now goes much further. While describing a settlement in excess of financial provisions as 'hypothetical' it spells out with commendable candour exactly how it and its civil service colleagues would, and presumably will, evade its own cash limit system. 'The relevant cash limits can be increased by supplementary payments presented to Parliament after the beginning of the financial year. The presumption would be that any increases in cash limits would be charged to the contingency reserve, and would not therefore add to the planned total of public expenditure for the year.'

This statement is of considerable significance. It announces that the contingency reserve, which was introduced and has normally been used for such genuine emergencies as British Leyland and British Steel or for new policy initiatives during a financial year, is now in fact available to be raided to boost public sector pay. The Treasury may feel that this is not a great danger if the intention is that only civil servants will have access to the coffers. But it is not a reassuring principle that there is one law for the authors of the cash limit system and quite another for everyone else. In any case it is not clear that everyone else will or should accept this. Nurses, teachers, doctors, power workers who

DO-IT-YOURSELF DEVOLUTION

Reticence usually descends on the Northern Ireland office when it has an initiative in the oven. This time it is more like a cookery class. The ingredients are laid out, their properties discussed, the mixture tasted. The only reason for some uncertainty remaining about the dish is that the cooks are making up the recipe as they go along.

The general idea is that the province will be offered rolling, or do-it-yourself, devolution. The idea was invented back in Mr Humphrey Atkins's days by Dr Brian Mahon, an Ulsterman who is a Conservative member of Parliament for Peterborough. Its theoretical merits are, first, that it does not require agreement of the parties to a cut-and-dried scheme of provincial government as a pre-condition for anything happening at all, and second, it would not necessarily be a total write-off (like the 1974 executive) if it met an accident and one of the co-drivers pulled out. At one stage the word 'unboycottable' could be heard. But that temptation to fate has been dropped. The only sense in which anything is unboycottable in Ireland is the sense in which the Titanic was unsinkable.

As a way of getting something going, rolling devolution has a claim to be tried, the stationary sort having several times failed to get itself established. First of all there is an elected assembly, confined to deliberation and criticism. Power, executive and legislative, will be available from an à-la-carte menu, always provided that a sufficient measure of cross-community agreement is evident in the demand for each helping. In previous years Stormont plans for devolution the test for this has been in the mind of the Secretary of State ('If it appears to the Secretary of State... that a Northern Ireland Executive can be formed which, having regard to the support it commands... is likely to be widely accepted throughout the community'—Northern Ireland Constitution Act 1973). This time Mr Prior is looking for a formula, a weighted majority within the assembly, such as to satisfy two conditions: the hurdle must be high enough to preclude an all-Protestant majority walking off with the prize, and not so high as to give one faction a permanent veto on movement.

It could be hard enough to hit on that magic number

when the deputies are sitting in their places, let alone before they are elected. But if it can be found, it has the large advantage of allowing the parties as represented in the assembly to determine among themselves the pace and mode of provincial self-government. And, so it is hoped, once the first dose of power is taken addition will follow and the price for larger doses, which is some sort of coalitionism, will be forthcoming.

Other associated ideas have come to the surface. One was to ease transition from the merely consultative to the executive phase by having the Secretary of State, as 'chief executive' in the province, appoint members of the assembly or other Ulster worthies to executive posts in his entourage, junior ministers in fact. That has probably fallen down for constitutional reasons. Unless Parliament had already transferred executive responsibility to provincial shoulders it would not look kindly on the exercise of executive authority at the political level by persons who were not answerable to it.

One odd idea which floated into the press at the weekend is the restoration of Northern Ireland, meant presumably as a sweetener for unionists. It is unlikely to be pursued at this stage. The office, representative of the monarchy, was popular with unionists, particularly its last incumbent Lord Grey of Naunton. But that was as part of the whole panoply of Stormont. Re-emergence of a governor now, as well as cruising to republicans, would be no more likely to reassure unionists than to put them in mind of one of the latter-day functions of governors, which is to prepare for the day when lesser royalty arrives to haul down the flag.

What reason is there to hope that Mr Prior will find an acceptable scheme of devolved government for recalcitrant recipients when all his predecessors since Mr Whitelaw have failed? First there is the man himself. He has more than made up for the disadvantage he created for himself by advertising his reluctance to take the job. He is now widely respected in Ulster as shrewd, strong-minded and a political heavy-weight. There is more momentum behind his attempt than at any time since 1973.

Second, the deterioration of Ulster's economy is so alarm-

Battle over level of air fares

From Lady Burton of Coventry

Sir, At last we seem to have reached the stage when it is accepted that air fares in Europe are too high. But have we reached the next position, when airlines, governments and government organizations are willing to look at the reasons? I emphasize 'willing'.

Over past years when we have raised this matter we have always met with the response that (a) the fares were not too high; (b) comparisons with other countries or with the United States were not valid because conditions were different; (c) it was not possible to reach agreement.

There is no doubt that scheduled air fares are arranged between airlines and governments. In other words, governments, airlines and IATA (International Air Transport Association) are indistinguishable. Only the air traveller, the consumer, and the would-be consumer is excluded. National airlines of influence are maintained to the detriment of healthy competition, service to the consumer, and an economical fares structure.

Agreements between most countries, except for those in the United States and America and in some cases between the United Kingdom and France, provide for only one national carrier from each country. In no case within Europe is there open entry to an international route, and competition is frequently limited to the two national carriers. Competition on fares is restricted in many bilateral agreements.

We are now informed that the Government is to support the argument at the European Court of Justice put forward by Lord Bethell but that British Airways is in opposition. This seems unfortunate.

Surely there must be more scope for more competition and lower fares in Europe without going to the expense of the United States domestic deregulation. Security charges, landing fees, air traffic control are items that come immediately to mind.

Mr Roy Wat's (chief executive of British Airways) holds office this year as chairman of the Association of European Airlines: perhaps he and Lord Bethell together could be the

catalyst in this saga which has gone on for far too long.

Yours faithfully,
BURTON OF COVENTRY,
House of Lords,
February 1.

From Mr Peter Martin

Sir, Neither Michael Bailey's article on air fares (February 1) nor your leader recommending the formulation of a positive and distinctively European policy for air transport touch on the issue which is central to the whole debate.

At the risk of stating what is perhaps blindingly obvious to many, may I remind you that article 1 of the Chicago Convention, 1944, provides that the contracting states recognize that every state has complete and exclusive sovereignty over the airspace above its territory. It is this principle of sovereignty, which allows states to regard traffic rights as a precious national asset to be exchanged only against equality of opportunity and, so far as possible, equality of benefits. Unless and until the principle of airspace sovereignty can be broken down, by acceptance of an agreement, there can be no real hope of lowering European air fares by turning Europe into the single market which the United States is for domestic air transport purposes.

There can be little doubt that the rules of competition of the Treaty of Rome appear to support the idea that bilateral fares and rates fixing between states is contrary to the spirit, if not the letter, of article 85, but what is not clear is whether the provisions of the Treaty of Rome in this context override the principle established by article 1 of the Chicago Convention. It is this conflict that must be resolved before any progress can be made.

As travellers, all of us want lower air fares, and these particularly in Europe. Lord Bethell is a Hampden we should support, but I suspect that he is trying to plough his furrow with a trowel.

Yours truly,
PETER MARTIN,
As from: Reform Club,
Pall Mall, SW1,
February 1.

Gas sources for Europe

From Mr John Purvis, MEP for Mid Scotland and Fife (Conservative)

Sir, Your editorial, 'Tied to Siberia' (January 26), is so right. It is the lack of a concerted European policy regarding energy, and gas in particular, that has made it necessary for Germany, France, Italy and Benelux to turn to Siberia and expose themselves to the risk of over-dependence on the USSR. The United Kingdom's aloofness is a contributory factor which could have long-term strategic repercussions.

The rational arrangement would be a European gas grid fed by gas from the northern North Sea, both Norwegian and British, the USSR and North Africa. The southern North Sea fields, both Dutch and British, could act as a reservoir. These fields produce 'dry gas' (i.e., without oil) and can be replenished with gas and oil from any other source to provide a seasonal and long-term buffer reserve.

By diversifying the sources of supply and ensuring a substantial buffer stock in the southern North Sea, the exposure to pressure from any one supplier is greatly diminished.

While Britain happily exports oil at world prices, she has not only insisted that all British sec-

tor gas should be landed in the UK, but that it must be sold to the British Gas Corporation as a monopoly purchaser. The result has been little incentive to invest in exploiting gas reserves in the North Sea and it has discouraged the Norwegians from cooperating in gas prices that could open up and, in the end, even a risk of gas shortage in the UK, could well rebound to Britain's disadvantage. And without Norwegian gas the scope for on-shore petrochemical industries in the UK is reduced.

While the UK Government moves towards breaking BGC's monopoly, it should also open the export (and import) gates and show willingness to work with its EEC partners on gas policy if it is seriously concerned for the long-term security of its gas and chemical feedstock supplies in Britain, the security of western Europe and the real meaning of European Community.

I am, Sir, your obedient servant,
JOHN PURVIS,
Gilmerton House,
Dunino,
St. Andrew's, Fife.

Lay-off clause

From the Director General of the Engineering Employers' Federation

Sir, The Director-General of the Institute of Directors argues in his article in the *Times* (February 2) that the inclusion of a lay-off clause in the Employment Bill.

The Engineering Employers' Federation has never suggested an indiscriminate right to lay off all employees when operations are paralysed by selective strike action. No sensible employer would wish to exercise such a right if he could overcome his difficulties in any other way. But it is necessary to look at the way as it really is.

Take the current British Rail/Aslef dispute. How can British Rail 'harness the good will of the majority of its employees in order to overcome the problems'? With the best will in the world, members of the other rail unions cannot drive the trains. In such a case the influence of other

unions and their members would be much more likely to be harnessed if it was plain that their members would feel the immediate consequences of Aslef's action.

Like *The Times*, the EEF strongly regrets the omission from the Bill of this lay-off provision. We certainly do not lightly advocate this provision, but it is necessary to supply remedy proportionate to the abuse. And, as you correctly pointed out in your leader of January 23, such a provision would do much to restore the balance of industrial power in disputes where small groups of workers are strategically placed to bring large organizations to a halt. We urge the Government to supply this necessary remedy.

I am, Sir, your obedient servant,
ANTHONY FRODSHAM,
Engineering Employers' Federation,
Broadway House,
Tothill Street, SW1,
February 2.

Lewis Carroll diaries

From Mr Roger Lancelyn Green

Sir, May I add a footnote to my friend Morton N. Cohen's admirable article on Lewis Carroll in your issue of January 23?

In 1950 the late Miss Menella Dodgson wrote to me on the strength of my first book about Lewis Carroll to ask if I would be interested in preparing an edition of her uncle's diaries. Being already deep in Carrollian studies I replied enthusiastically to the affirmative and went to visit her and her three surviving sisters at Leamington to discuss the project.

It was there shown the manuscript volumes of the diaries. There were four volumes missing, and Menella and her sisters told me that when their brother looked for the diaries at about the time of the centenary exhibition in 1932, he found them on the floor of the cellar in which the Lewis Carroll papers were stored.

It was decided that I was to edit the remaining nine volumes, filling in where necessary, and omitting as much as possible from the entries of no general,

literary or Carrollian interest, to leave a work of publishable length. The result appeared in two volumes at the end of 1953.

I did not work directly from the manuscripts, but from typewritten notes which Menella had made by a local typist. She assured me that they were absolutely complete, with the exception of vol. 8 (1862-64) which she typed herself, omitting certain passages which she considered too private for publication. She assured me that none of the omissions referred to Lewis Carroll, but to other members of the family, and were of a purely personal and private nature.

I see no reason to doubt Menella's word, supported by her sisters, Violet, Lucy and Gladys, whose friendship I valued greatly and retained until the end of their lives, visiting them frequently at Leamington, and subsequently at Wantage.

Yours truly,
ROGER LANCELYN GREEN,
Poulton Hall,
Poulton-Lancelyn,
Beighton, Wirral.

Lloyd's 'self-denying ordinance'

From Sir Philip de Zulueta

Sir, As a member of Lloyd's and former chairman of a holding company owning a Lloyd's broker, I am distressed and surprised by the controversy which seems to have arisen concerning the so-called immunity clause in the Lloyd's Bill being discussed in the House of Commons on February 3.

Some people seem to look at Lloyd's as if it were the Stock Exchange, equating the underwriting names with investors on the stock market and Lloyd's brokers and underwriters with stockbrokers and jobbers. Others seem to assume that the Committee of Lloyd's resembles a professional regulatory body like the Bar Council or the Law Society.

These are quite misleading analogies. The members of Lloyd's are, collectively, the partners in the society but expressly undertake the risk of losses 'each for his own part and not one for another'. In so far as individuals succeed in making claims against the society all the members have to pay. The committee are simply elected agents of the society and have no funds separate from those of the members, i.e., the society as a whole.

Lloyd's is a unique institution of great value to this country. All the members of Lloyd's are involved in underwriting risk business and it is, alas, inevitable that losses as well as profits will arise.

Obviously the Lloyd's Bill seeks to give no immunity

against claims by policy holders. Nor does it protect the society against mistakes made by its servants in the ordinary course of their duties or in bad faith. All that is sought is protection of the society from individual members seeking to mitigate their own commercial losses by transferring the cost of these to all members.

It is surely most unreasonable to expect underwriting names, many of whom live abroad, to be liable for the commercial losses of other members even if these arise from negligence or breach of duty, including breach of Lloyd's regulations, by an underwriter or broker. Lloyd's can only function if members continue to accept responsibility for the acts of their agents.

The Lloyd's Bill does not attempt to avoid self-regulation: indeed the main object of the Bill is to modernise and strengthen the powers of the committee. But without the so-called immunity clause the danger is that the whole society could be harmed, particularly overseas, by individual members taking legal action against the society as a whole.

The overwhelming majority of members have accepted this point and agreed the clause. I hope that Parliament will not refuse to sanction this self-denying ordinance desired by the bulk of the members of a private, albeit nationally important, institution.

Yours faithfully,
PHILIP DE ZULUETA,
3 Frederick Place,
Old Jewry, EC2,
February 2.

Mapping for the future

From Mr Roland Wade and others

Sir, In a recent leader (January 20), you rightly expressed concern at possible consequences of the Government's proposal to create a trading fund to finance the Ordnance Survey (OS). The ability of the OS to continue to produce its full range of maps and services could be seriously undermined if its financial basis were altered in this way.

But your leader understates the depth of anxiety these proposals are causing to a broad spectrum of interests. Not only are our own organizations disturbed at the OS's proposed change of financial status, but also we understand such bodies as the Royal Society, the Royal Geographical Society, the Association of Metropolitan Authorities and the Standing Committee of Professional Map-Users (whose members include the Royal Institution of Chartered Surveyors and the Royal Town Planning Institute), have expressed reservations.

Moreover, there has been a new development since your leader was written. On January 20 the Environment Secretary told Parliament that his department's proposed contract with the OS will be subject neither to consultation with map users nor to approval by Parliament. This gives further weight to our concern.

The scope of that contract would define the level of the Ordnance Survey's support to the survey; services remaining outside the contract would be left to stand or fall exclusively on their commercial merits. Many OS services should be judged on social rather than commercial criteria. They would undoubtedly suffer if they were excluded from the contract.

Nothing less than the future scope and quality of the country's mapping service is at stake. We urge the Government to reconsider its proposals.

Yours faithfully,
ROLAND WADE,
JOHN HUNT,
E. W. HIBBERD,
JOHN PARFITT,
Council for the Protection of Rural England,
4 Hobart Place, SW1,
January 26.

The buyer's premium

From Mr E. B. Leisenring, Jr

Sir, In reference to your leading editorial, 'Fair dealing in fine art', of January 16, I would like, as an American, to make a few observations.

First, it is incomprehensible how the buyer's premium could be essentially a shoddy means of making the vendor believe that the auctioneer is taking a smaller cut on the sale of his goods than is in fact the case. How could the vendor possibly be ignorant of the parts and total of the commissions?

Second, members of my family, friends and associates of mine who have been long-standing buyers at Christie's and Sotheby Parke Bernet in New York, assure me that there has been precious little criticism of the addition of a buyer's premium at the New York auction houses. The raising and lowering of commissions is a part of doing business in a free enterprise system, something that a less than free enterprise system might do well to contemplate. To say as your editorial did, that the buyer's premium 'is a stain, even if a slight one, on Britain's reputation for fair dealing that they forced the charge on America' is met with disbelief from this side of the Atlantic.

I regret to conclude that the degree of slant against the auctioneers exhibited by London newspapers is such that it may be 'a stain, even if a slight one' on the reputation for fair play enjoyed by London journalism.

Yours sincerely,
E. B. LEISENRING,
2500 Fidelity Building,
Philadelphia, Pennsylvania,
United States,
January 22.

Land's End sale

From Professor Charles Thomas

Sir, Now that Land's End has been sold, perhaps some of the surrounding claims can be put in perspective. It is indeed encouraging that the National Trust can raise over £1m so speedily, but many of my fellow Cornish would agree that this could be better spent in acquiring other tracts of heritage coastline and that there has been a marked lack of enthusiasm within Cornwall, for the trust's brief campaign.

The only real distinction of Land's End is the accident of its geographical position, and its current place name. It is otherwise only a typical section of granite cliff, much eroded by rivers and backed by noted environmental eyesores of which the Cornish are ashamed. It forms a monument already to human insensitivity in the past and to the weaknesses of the pre-1974 area planning authority, one that was constantly criticised for its inactivity in decisions and locally for other and less charitable phrased allegations. The present county and district planning safeguards are quite capable of preventing any further horrors, even if some sheikh of Araby had come forward.

Land's End, a farming tenement with cliff grazing similar to about 100 others in Cornwall, emerges historically in the hands of a now extinct local family called Vingoe. It changed hands several times in the last two centuries and came into the possession of the recent vendor's father, a distinguished soldier.

The Neave Hills are, I understand, Scottish; they are not Cornish. The label, 'Master of Land's End', is first recorded, as far as I know, in a commercial guide published by Mr Charles Neave in 1972. It is nowhere recognised in Cornish history and is presumably modelled on the (genuine) Scottish and Irish usages.

Since the Vingoes died out in the nineteenth century the '14 generations' claim is presumably on all fours with the 'master ship', the retelling of the small hotel as 'State House' and the revamped folklore about hereditary curses.

Good luck to the new owner, Mr Goldstone, whose reported comments are commendable and public-spirited. All that is bought, however, is a piece of coastline and a contentious tourist trap. The rest is moonshine.

Yours faithfully,
CHARLES THOMAS,
Institute of Cornish Studies,
University of Exeter,
January 26.

Unversed

From Miss R. M. Howard

Sir, As a student who took the Associated Examining Board's O-level examination in English Literature last year, I find Mr Hope's letter (January 26) an unfair criticism of the board and one I am sure many people, including the board, would be quick to defend.

The board provide a large and varied selection of books, plays, prose and poetry from which a choice has to be made.

The literature to be studied is normally chosen by the teacher, therefore it is the teacher of Mr Hope's daughter who should be the subject of criticism and whom he must consider to be suffering from 'apparent blindness or lack of judgment.'

Yours faithfully,
R. HOWARD,
47 Lancaster Road,
North Harrow,
Middlesex,
January 26.

City limits

From Mr G. H. Neild

Sir, At Heathrow today I saw an Australian airliner named 'City of Townsville'. Even by the new standards of near-English this must be some sort of record tautology.

Yours sincerely,
G. H. NEILD,
17 Camberwell Grove, SES,
February 1.

Right objectives

From the Editor of the Spectator

Sir, *The Times* Diary reported on Monday that the extreme right-wing historian, Mr David Irving, 'plans a series of advertisements in newspapers and periodicals, including the *Spectator*, in which he will offer cash to branch secretaries of right-wing groups for their current mailing lists.'

His aim is reportedly to compile a computerized list of like-minded extremists.

While the *Spectator* is always reluctant to turn away advertising revenue, and even has in the past accepted small ads from Mr Irving offering free copies of features produced by his *Focal Point* magazine, we have rejected his latest advertisement. Not only are we profoundly out of sympathy with Mr Irving's objectives; we also doubt whether the *Spectator* is read by the 'branch secretaries' he is hoping to reach.

Yours faithfully,
ALEXANDER CHANCELLOR,
Editor,
Spectator,
56 Doughty Street, WC1,
February 2.

THE ARTS

Cinema: Manila Festival

Where charity begins abroad

It was a fine festival for the visitors, reports David Robinson, but not so good for local talent. Today they try to get rid of the 'ancient beauty queen' who leads the censors

The first Manila International Film Festival sustained its momentum to the end. The spectacle and hospitality were on a scale with which no festival within memory has ever competed, and were constantly enlivened by the unpredictable improvisations of the volatile First Lady of the Philippines, Imelda Marcos. The extravagance and the determined effort to woo the American moguls were not however appreciated by those local film-makers who complain of official discouragement to development of a serious Filipino cinema, and who tended as a result to cold-shoulder the event.

At another level of hostility towards the festival, terrorist threats of bombs and assassinations happily came to naught; and the worst that happened to the guests was to be seated with flowers at the closing night gala. There was however the excitement of a small earthquake, during the second reel of the Canadian film. Most of the audience (no doubt thinking it was Sensurround) sat the tremor out, the sissies among us remembering that the great festival palace had been built in a matter of weeks, made a rapid exit as the chandeliers tinkled overhead; but the building proved equal to the shock.

The 21 films in competition maintained a very creditable standard. More than one third were debut works, and the jury unanimously voted the Grand Prix to one of these, 36 *Chourringhee Lane*, directed by Aparna Sen, already known as an exceptionally gifted actress. Her film is assured and resourceful, comparable in achievement and stature, as well as theme, with De Sica's *Umberto D*.

The film was produced by the well-known Indian star, and scion of a famous movie dynasty, Shashi Kapoor, whose wife Jennifer Kendall (sister of Felicity) plays the leading role. By some miracle of dramatic innovation, the beautiful Miss Kendall transforms herself into a grey and wispy elderly Anglo-Indian spin-

ster, struggling to teach Shakespeare to high-spirited and uncaring schoolgirls. Her drab life is suddenly, joyously brightened by friendship with a young couple. The rejuvenation she experiences is brief; but her spirit and the solace she finds in her beloved Bard are strong enough to bring her through the discovery of how callously her young friends have used her. The portrait is minutely observed; and Aparna Sen finds a universal and finally elating quality in this intimate depiction of loneliness and resilience.

Another first work by an Asian woman director, Rachel Zam's *Cream Soda and Milk*, found less ready acceptance with the critics, but is remarkable in the context of Hong Kong cinema. Within the required formula of a story which offers a popular audience fast action and strong sentiment, Miss Zam's narrative of a brother and sister thrown, by a broken home, to opposite ends of the social scale explores little-known areas of Hong Kong life. Largely shot on real locations, in slums, schools and the red-light area, it vigorously exposes the effects of social and racial inequality and economic privation.

From New Zealand, Roger Donaldson's *Smash Palace* also explores a wholly realistic and contemporary human situation: Bruno Lawrence's performance as a divorced husband who kidnaps his own daughter after being refused rights of access deservedly won the prize for best actor.

Eastern European films were strongly in evidence. The festival presented a large-scale retrospec-

tive of Hungarian cinema, and the Yugoslav film in competition was Pal Gabor's *Wasted Lives*, an exploration (like the same director's *Angi Vera*) of the human costs of the Stalinist era. From Poland, *Vabank*, a spirited absurdist comedy about a bank robbery, earned Julius Machulski a special jury prize for an outstanding directorial debut. The Yugoslav Goran Markovic's satirical picture of the politics of school administration, *Jacks of All Trades*, took the prize for best direction. A rather chaotic comedy, *The Beloved Woman of Mechanic Gordon*, at least deserved its award for the superb performance of the popular Soviet comedienne Liudmila Gurchenko.

Special jury prizes were awarded to Peter Weir's *Gallop* and to Karel Reisz's *The French Lieutenant's Woman*. Other films by established European directors however proved disappointing: Francois Truffaut's important but unimportant *La Femme d'a côté*; R. W. Fassbinder's half-baked updating of the *Blue Angel* story to Adenauer's reconstruction Germany, *Lola*; and a dull ghost story by Dino Risi, *Fantasma d'Amore*.

Including a large information section, the Manila Festival screened in all some 200 films from 40 countries, and was intended, said its organizers, "to orient local movie audiences with the style and genres of the cinema of other nations, and to prove that films are indeed the language of all races and nations." It may all have proved a headier experience for the Filipino audience than was ever anticipated. Films shown in the festival bypassed the

ordinary rigorous national censorship and the experience of seeing films as controversial in their several ways as *Lado Chatterjee's Lover*, *Man of Iron*, *Death Wish II* and *Stalker* undoubtedly left powerful impressions.

As it happened the festival coincided with and even perhaps precipitated a critical confrontation between the Filipino film-makers and the censorship, which is seen as the biggest obstacle to the emergence of a serious national cinema. In recent weeks responsibility for censorship has passed from the military authority to a civil board among whose 40 members society ladies predominate, and which makes the former military censorship seem, by contrast, positively liberal.

The particular focus of mistrust is the chairman of the board, a one-time beauty queen, now in her sixties, Maria Kalaw-Katigbak, whose first efforts have revealed capricious despotism, not to mention a touch of pyromania: she has burnt offending sections of film negatives and the spot to preclude any possibility of future appeal or reconsideration.

Matters came to a head during the festival with the banning of two new films, *Schoolgirls* (in which the only apparent offence was that young girls were shown to become pregnant), and an action picture, *Boy Condenado*. In this case it is thought that the story bore too close resemblances to the real-life case of a celebrated gangster called Ben Tumbaling, a young orphan boy who, having his living as a street acrobat (hence his name) and subsequently became a criminal and police informer. He was killed when he finally rebelled and turned against the police.

Posthumously he has acquired the status of folk hero, partly from his own Robin Hood exploits, partly as a tragic exemplar of the legacy of the slums. Past projects to film the story of Ben Tumbaling have met with total prohibition. The Manila directors today plan a demonstration at the presiden-



Shakespeare for schoolgirls: Jennifer Kendall with Debashree Roy in "36 Chourringhee Lane"

tial palace to demand the ousting of the ancient beauty queen from her place on the censorship board. Nearer home, the Manila Festival prompts reflections on the fairly consistent and culpable neglect of foreign film events by the British diplomatic service. For a start it seemed a trifle incongruous that the Embassy did not advise the British delegation that most western diplomatic representatives had received warning of intended terrorist activities. Moreover, while every other foreign embassy gave a reception for the

showing of the national entry, the British were nowhere in evidence for the screening of *The French Lieutenant's Woman*. That this was not part of any plan to avoid Marcos-sponsored events was indicated by the prominence given to the opening by the British Ambassador of an exhibition of photographs by David Hamilton, purveyor of soft-core erotica to the genre. More generous recognition of British films abroad would undoubtedly foster both the morale and the commercial promotion of the home industry.

Television

A test of ethics

It is more than three years since the in vitro fertilization technique, pioneered by Mr Patrick Steptoe and Dr Bob Edwards, made possible the birth of the first "test tube" baby, Louise Brown. Now similar teams are working in America and Australia and on the Continent. More than 100 babies have been born or are expected by this method and, as it offers hope where none previously existed, demand is expected to increase and multiply. The first Tube Explosion, TV's first documentary, produced by Peter Williams and directed by Gordon Stevens, told the story so far last night.

For the first time Steptoe, the doctor, and Edwards, the scientist, allowed cameras into their Bourn Hall Clinic in Cambridge; in America, TVS filmed by a possible record of the making of a test tube baby and the first American test tube birth; they also visited the Animal Research Station where experiments are taking place on embryo freezing and talked to Dr Alan Trounson and his Australian team who are working on the freezing of human eggs and embryos.

So it was a packed programme, excellently produced, which tried not to neglect the ethical considerations. But because of the limitation that time imposes on content, it could not hope to be comprehensive in this area. Doubts already exist. Now that fertility drugs are being used to increase the number of eggs produced in the monthly cycle and increase the prospects of successful conception, such doubts have intensified. What does or might happen to the surplus eggs and embryos?

Dr Trounson is freezing them for examination and there appears to be scientific agreement that valuable information can be obtained here. But the question implicit in such work is the one Dr Edwards posed himself: When does life begin?

Dr Michael Thomas, Chairman of the BMA Ethics Committee, who are shortly to consider the whole matter, said that in vitro fertilization involved a moral decision. He would like a moratorium on further work while the public made up its mind. It seems vital that the debate should increase. BBC's Play for Today also concerned itself with *Life After Death*, Rachel Billington's second play for television. Here we found Dorothy Tutin, a widow of a few hours, "cut in half" by an unexpected death, unable yet to comprehend the extent of grief or allow its tears.

It was a simple play about living on, almost documentary, but powerfully moving and dependent on meticulous performances. Such a performance was contributed by Dorothy Tutin and she was excellent as the widow, Caroline Blackiston as the friend, Ben Cross as the son, Judy Loe as one of the daughters and Lucy Hornak as the petulant Polly. Though it tended to make one reflect on one's insurance cover, it was a simple play about when mother and daughters select funeral dresses from a middle-aged, somewhat xenophobic sales assistant (Dulcie Gray). Innes Lloyd produced and Anthony Simmons directed.

Arena on BBC dealt with the poetry and some of the life of Osip Mandelstam, said to be one of the greatest poets of the century, a Russian Jew who wrote a poem about Stalin and led him first to exile then, despite a tenacious attempt to write a more acceptable one - to death in a Siberian prison camp. There was some moving film, shot by a Dutch crew in 1973, on his widow, Nadezhda, whose memory preserved the work it was hoped to destroy but the programme - *Here they kill people for it* - lost much of its poignance through long bouts of declamation in Russian, melodic maybe but not intelligible.

Latin music

Machito

The Venue

If the utterly spurious salsa boom has achieved nothing else, at least it brought Machito to London for a performance on Monday night which presented the untainted essence, the pure and bright flame, of Latin music.

Born Frank Grillo in Florida almost 70 years ago and raised in Cuba, Machito formed his first orchestra in New York in 1933; there were collaborations with modern jazz musicians (notably Charlie Parker) during the early years, but mostly he has honed his art without feeling the need to blend in passing trends. Those who crowded the Venue floor will attest that his music is just about the best ever devised for dancing.

A rhythm section containing names like Ramos, Marrero, Gonzalez and Rodriguez promises an authentic Latin swing, and so it proved. Bossed by Machito's son, the timbalero Mario Grillo, they set up flowing jigsaw patterns which never flagged. Willie Rodriguez's triphammer piano figures were constantly impressive, particularly in the dizzyingly syncopated introduction to one trenchant solo.

Four saxophonists delivered the melodies and riffs with full-toned aplomb, anchored by Pete Miranda's massively mobile baritone, but the orchestra's true glory is its quartet of trumpeters, whose screaming high-note sequences sizzled like fat on sizzling steel. The section topped Alfredo Armenteros for several majestic solos mixing bravura technique with melting lyricism.

The leader contented himself with waving a pair of maracas and singing and *espresso* confidences in the *pinchissimo* range needed a more intimate glow. The root cause of the disappointment was nevertheless the anonymity of the phrasing.

Richard Williams

Dennis Hackett

Concerts

SNO/Gibson

Festival Hall

Sir Alexander Gibson and his Scottish National Orchestra chose a Mahler programme again on Monday for a visit to the South Bank. They brought us an interesting young singer from West Germany, Doris Soffel, and a major undertaking for any orchestra or conductor, Mahler's ninth symphony, a work of extreme emotional range and structural subtlety.

Mahler's music comes naturally, I guess, to Sir Alex, though it still has to be learnt carefully, and the execution as well as interpretation planned like intricate military stratagem. I admired especially his concern for Mahler's contrapuntal melodic textures, everything as clear as possible, the orchestral balance focused upon those lines rather than on sumptuous harmony or enhancement of tension, which will make themselves felt if the rest is correctly judged.

The first movement's climaxes were banked, the SNO woodwind quite raw in timbre, their strings firm and muscular with a minimum of unnecessary glow even in the last Adagio, though one did not miss that, because the melodic line was true and

Israel Piano Quartet

St John's/Radio 3

The Israel Piano Quartet divided their lunch-hour recital at St John's on Monday between Beethoven's Op 16 and Faure's Op 15, both comparatively early works in the lives of composers whose list of opus numbers extended well past 100.

Beethoven was only in his mid-twenties when he composed his E flat major Quartet for piano and strings from an earlier quartet for piano and wind. The Israeli team (Pinna Salzman, Moshe Muritz, Abraham Bornstein and Elhanan Bragman) seem to be acutely conscious of the fact that it had been conceived for instruments of limited expressive range by someone still feeling his way. Their playing was orderly and well balanced, with not the slightest suggestion of excessive keyboard dominance as is so often the case in early Beethoven. But the reading

Dance

Rambert Academy

Twickenham

Five choreographers staged works for an evening of dance, presented by the Rambert Academy on Monday in their studio at the West London Institute, Twickenham. The most substantial piece was by Christopher Bruce, whose *Dancing Day*, performed by academy students at Sadler's Wells last year, first demonstrated publicly the high professional standards achieved by the academy in the short period since its foundation. Bruce's latest ballet is called *Village Songs*. He began it at the Rambert Academy, then presented it

in Holland with the Netherlands Dance Theatre two months ago before returning to complete the academy's production. The music is Bartok's *Village Scenes*, three of which were given on Monday. A solo, danced with gentle confidence by Leslie Owen, separates two ensembles in which the all-female cast perform with lilting unison the simple, folk-style steps and complex rhythms.

Rumba, an ensemble dance full of fast runs and swirling entries in Robert North's characteristic manner, to guitar music by Paco de Lucia, showed that the young cast, men as well as women, have no difficulty in putting on a touch of flamboyant display when needed, and

Paul Griffiths

Joan Chissell

Irving Wardle

Mr Morrison settles for the greater certainty of rolling in the jokes like hand-grenades. He provides a Liverpool scrap dealer who is dragged into the plot for comical sympathy and to help a Belfast relative. The relative is a brother-in-law engaged in the business of sectarian murder, and his daughter has run to Liverpool with incriminating documents, keeping company with the British agent who has a grandiose scrap plan to end the strife in Ulster.

All that plotting, with flashes of high pre-feminist murder, a mysterious figure in a Mickey Mouse mask, a blundering dyspeptic policeman, seductions, vengeful wives after their alimony and estranged husbands denied access to their children, requires a pace that Chris Boud's production lacks in the first half. It may be that Voytek's revolving set is too elaborate for the necessary speed - it is certainly lit too moodily. Among the players, Chris Darwin animates the scrap dealer with droll reluctance and a bewildered sexual appeal to the women he meets (when the gun comes out they rush to his defence: "Don't shoot him, he's only small stuff"). Eve Bland storms delightfully in search of her absconding husband the agent.

Ned Chaillet

Theatre
Brutally honest humour

Skirmishes

Hampstead

The world is still full of primary human experience that nobody has bothered to dramatize, and it is quite a thrill when such raw material finds its voice through a writer as good as the Liverpool Playhouse's Catherine Hayes.

Where family relationships are concerned, most of us can be divided between the dutiful ones who stayed to look after the old folks, and the selfish ones who got out. *Skirmishes* examines these alternatives in the form of a siblings' duel over the body of a bedridden mother in the last stages of senile psychosis. And if that suggests the kind of northern play you feel you can do without, I should add that it is also brutally funny, free of punch-drunk family recriminations, and aloof from any sense of revenge writing.

As the contestants first engage, Miss Hayes lets you feel you have them both weighed up. On the left, the childless Jean who has been tending her incontinent parent night and day for years, and has some cause for her snappy manner. On the right, Rita, paying one of her few courtesy calls from her conveniently removed family, now briskly straightening up the room and all too ready to pounce on her exhausted sister for allowing the patient to develop bed-sores. As played by Gwen Taylor, nausea concealed under a bright smile, Rita is the kind of woman who asks "Every-

thing all right?" in such a way that forbids anyone to say.

However, she gets that answer right between the teeth from Frances de la Tour's Jean, whose delivery varies between flat-toned derision and sulphurous irony as she demolishes Rita's alibi and explains what it means to be responsible for an incontinent old hulk who now barely belongs to the human race.

The dramatic charge derives from the inert figure in the bed, treated by Rita as a person, and by Jean as an inanimate object whose ashes are about to be scattered. The spectator's view swings between these alternatives while the balance of sympathy between the sisters also starts moving.

It now emerges that Jean had another reason beyond filial duty for staying at

Scrap!

Playhouse, Liverpool

Blackmail, bribery and betrayal are what Bill Morrison's Belfast secret agent calls the three Bs of politics. Belfast, bombs and bullets are three other relevant Bs and the portraits of Bogart and Bacall on the lavatory doors of a sleazy Liverpool club give further indications of the world Mr Morrison is writing about. Like his earlier murderous farce, *Flying Blind*, *Scrap!* is a play which brings together the human crudities of the war in Northern Ireland for the purposes of malignant comedy.

By the end, he has a full-scale farce on his hands, with a meeting of violent Irish Protestants, Republican Catholics, the Liverpool police, the British agent and assorted bystanders of varying degrees of innocence. They come together in a club with more than enough doors to supply confusing sexual implications, the opening and closing of doors finds its absurd laughter in the changing positions of power, with guns and bombs to provide the uneasy punch lines.

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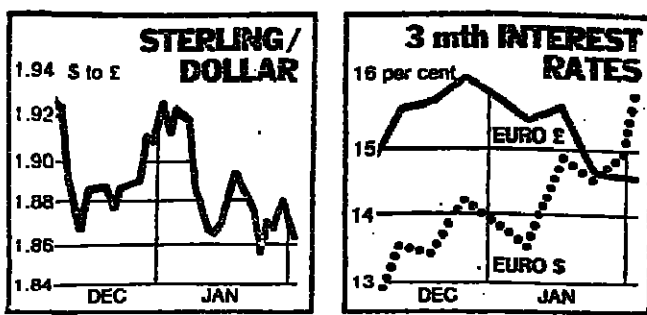
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BUSINESS NEWS

How US rates moved



Three-month dollar interest rates have moved a clear point above equivalent sterling rates. British rates might well have risen in line with dollar rates but for Bank of England action to keep them down. Despite the differential in favour of New York, the pound has held up reasonably well against the dollar and has been particularly firm against other European currencies.

Reserves rise by \$62m

The United Kingdom's gold and foreign currency reserves fell by \$122m in January to \$23,255m (£12,333m). However, after allowing for official transactions, there was an underlying increase of \$62m. Net public sector borrowing under the exchange cover scheme boosted the figures by \$94m, but against this there was a \$77m repayment on the IMF oil facility and a \$201m decrease on revaluation of the gold content of Britain's European Currency Units.

No bar to BNO sales

Foreigners and overseas companies will be allowed to buy shares in the exploration and production arm of the British National Oil Corporation when it is privatized, Mr Nigel Lawson, Energy Secretary, confirmed yesterday. The articles of association of the newly privatized corporation will prevent any foreigner taking control, however, he insisted.

Mr Lawson refused to confirm reports that the board of BNO had voted unanimously against the Government's plan to split the corporation into two arms.

Big fall in oil sales

BL has started the year with a big fall in its monthly sales. Preliminary figures circulating in the motor industry suggest that the state-owned company took only about 14.3 per cent of all sales against 21.2 per cent in the previous month. Imports were nudging 60 per cent in a market expected to be moving 125,000 or 10 per cent down on January last year.

Meanwhile, the Japanese kept their market share down to only about 9.3 per cent, while Volkswagen Audi moved ahead of Datsun as the top importer. Ford's share of 31.5 per cent gave the company a clear market lead.

● The Department of Industry has set up a study group with members from the government, industry and the universities to chart the future of information technology products in Britain.

Oil plan setback

Two American oil companies, Standard Oil of California and Amoco, have decided to drop out of one of the world's largest planned synthetic oil projects, the Alasands sands recovery plant in Alberta, Canada. Chevron blamed the decision on falling oil prices, inflation and harsher Canadian oil taxes.

The Alasands consortium led by Shell has still not decided whether to press ahead with the project, designed to mine and produce 137,000 barrels a day of synthetic oil by 1988.

● Rolls-Royce is to cut 180 jobs at its Mountsorrel plant in Leicestershire while manufacturing aero-engines.

● Broke Bond has sold its food manufacturing business to a consortium of British food groups to find business there too tough to be profitable. page 14

Europe banks battle to peg interest rates

By David Blake, Economics Editor

Europe's central banks stepped into the markets yesterday to head off fears of a rise in interest rates. Instead, they made it clear that they are ready to accept pressure on their currencies against the dollar in an effort to keep their economies moving.

The dollar gained ground sharply in early trading in response to last night's increase in interest rates in New York, an increase which was reinforced by the decision of other leading New York banks to put up their interest rates.

Chemical bank of New York put up its prime rate from 15% to 16% and Chase Manhattan went up to 16% per cent.

In early trading, the dollar's rate against the mark, now the key figure for European currencies, went up sharply to a high of DM2.3680, more than 2pennings above last night's close.

But profit taking and a false report of an assassination attempt on President Reagan led to a recovery of the European currencies later in the day to close at DM2.35 to the dollar, little change on Monday's close.

The bounce back came in spite of a firm statement by the German Bundesbank that it did not intend to raise interest rates, with its Lombard rate at which banks can borrow being kept at 10 per cent. In the United Kingdom,

the Bank of England gave help to the markets to stop British interest rates rising.

As a result, what had threatened to become a rout on the stock exchange ended up with little change. The FT index, at one stage 11.8 points down, recovered to close only 1 point down at 571.

Government stocks ended unchanged as interest rates remained stable. Sterling even managed to gain ground, closing at \$1.8635, up 20 points, with its effective exchange rate up 0.1 to \$1.9.

But the calm in Europe's markets after the initial flurry did not conceal the increasing concern being felt about the impact which will have on European countries want to bring interest rates down and had started to do so 10 days ago. Now their only hope is to prevent them going up by too much.

It is hoped that any increase in the dollar's value against the European currencies in the next few months will have a limited impact on inflation. Oil prices are showing signs of falling and might fall further if the dollar rises.

But European finance ministers recognise that it will not be possible to give their economies extra stimulus through falling interest rates if money in United States becomes tighter and interest rates there rise.

Laker chief confident for future High flying Freddie

By Peter Wilson-Smith

Sir Freddie Laker appears to have taken his bankers by surprise by announcing yesterday that his airline's financial troubles are over.

"Altogether I've raised £60m and for the first time in weeks you can say that I am buoyant and talking to the press. I am flying high today and couldn't be more confident about the future," Sir Freddie said before boarding a British Airways Concorde at Heathrow to fly to New York.

Although the complex talks to put together a rescue package to save Laker Airways are understood to have been progressing satisfactorily, Sir Freddie's optimistic statements are understood to be premature.

The rescue package for Laker has yet to be signed although there is growing a feeling among bankers that a deal can still be reached subject to various conditions.

To help solve Laker's cash crisis, American aircraft engine manufacturer McDonnell Douglas is understood to have conditionally agreed to inject up to £55m cash and is also understood to be conditionally prepared to convert loans in the region of \$50m to \$60 (£26m to £32m) into some form of convertible preference shares.

Clydesdale Bank, which has been supporting Laker since September with a rising overdraft facility thought to be £7m to £10m is not expected to increase this further.

Sir Freddie said yesterday: "The total package, including



Happy days are back again for Sir Freddie

bank guarantees, borrowing the rescue takes the form of the conversion of loans into capital.

Intensive talks have been going on for several months among Laker's bankers to try and save the airline.

As part of the rescue package Laker is expected to be forced to sell off its three A-300 aircraft which were bought with the help of a money except for the cash \$131m syndicated loan arranged from McDonnell Douglas and the main part of Bank.

Coal subsidy to continue

By Jonathan Davis, Energy Correspondent

The Government yesterday formally conceded that it has abandoned all hope of eliminating subsidies to the less-making coal industry before the next election, in the wake of last year's climb down over pit closures and the collapse of the market for coal.

Mr John Moore, Minister responsible for coal at the Energy Department, outlined the terms of the new Coal Industry Bill, which opens the way for the Government to spend up to £941m on direct subsidies for the National Coal Board's losses over the next two financial years.

The Government's original plan, laid down in its first coal bill just 22 months ago, was to phase out all operating and deficit grants to the Coal Board by 1983-84.

Mr Moore said that subsidies this financial year would amount to more than £4 for every ton of coal produced. Total Government support for the industry would be £550m, which includes about £90m in the so-called social grants, covering redundancy and pension payments. As the Minister's own gloomy analysis of the coal industry's problems made clear, it is seen as inevitable by Government that several hundred million pounds of subsidy will be needed up to 1984.

Mr Moore said that the massive investment programme begun in 1974 in the coal industry was based, had proved to be optimistic. Demand for coal, far from growing to 135 million tons by 1985 had actually fallen to 117 million tons last year. Productivity, despite recent improvements, was still below its 1972/3 level in 1980/1.

The new Coal Industry Bill increases the borrowing powers of the Coal Board from its present level of £4,200m to a £4,500m, with a possible further extension to £5,000m. It allows for deficit and operating grants to be increased from the present £590m to a possible £1,750m.

Although Mr Moore did not say explicitly, the cost of last year's decision not to press ahead with the closure of uneconomic pits in the face of miners' opposition is estimated at over £200m this year.

Mr Moore conceded that the Government's £50m scheme to encourage industry to switch from oil-fired to coal-fired boilers has not been a great success. So far, applications had been received for only £17m.

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LME acts to calm fears on tin prices

By Michael Frest

London Metal Exchange officials have moved to calm the tin market ahead of the dates on which speculators who went short almost three months ago are due to meet their obligations. Recently there has been some anxiety that tin price movements over the last couple of months could leave speculators with debts they cannot pay.

The main measure taken by the LME committee is to set a maximum backwardation of £120 a day. A backwardation occurs when the cash price of a commodity is higher than forward prices. The latter are normally higher because they include storage, financing, insurance and other costs.

Mr Philip Smith, chairman of the LME board, stressed that the limit, which he described as an "understanding", did not mean that the difference on a day between a cash and a forward price could not be more than £120.

Instead, a seller who is unable to fulfil his commitments by covering his position in the market—entering into a buy contract which effectively cancels his sell contract—can default for a day by paying £120 premium to the party to whom he agreed to sell the tin.

This measure, which Mr Smith said, was unprecedented in the LME's history, arose from discussions which the LME committee has held in recent weeks with LME members. Those talks revealed that all members would be able to meet commitments on such terms. The committee is satisfied that no member is too exposed.

But the immediate reason for the move is that at least two shippers of tin have been delayed. The physical tin is scarce, and speculators whose three-month forward sell contracts fall due on February 25 and 26.

The backwardation limit comes into force today. The fears of financial distress and disturbances on the tin market date from the end of November. Heavy buyers of tin, believed to be backed by producers, particularly Malaysia, then switched from buying forward tin to cash tin. This created the backwardation, so that last night cash tin in London was £8,605 a tonne while the three-month metal was £7,972.

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MARKET SUMMARY

Bears beat the blues

LONDON EXCHANGE

FT Index 571.0 down 1.0
FT 100 64.60 down 0.05
FT All Share 325.87 down 1.96
Bargains 22,342

The London stock market staged a strong rally yesterday after suffering an early setback following overnight news of dearer interest rates in the United States.

Gilt recovered losses of up to 2% in longer and 5% in shorter to close unchanged, helped by the easier trend in the money market and the United States bond market.

Equities also bounced back after jobbers had marked prices sharply lower in the wake of the 1% per cent increase in United States prime rates to 16% per cent and the pessimistic views on the British economy by Mr Francis Pym, leader of the House of Commons.

The FT Index, having opened 11.8 down at 10 am, closed only 1.0 down at 571.0 helped by further bear buying and the latest report on industrial trends by the Confederation of British Industry.

Shares of Metal Box fell 6p to 182p amid rumours of an imminent rights issue of £35m. But Fisons advanced a further 2p to 277p following the sale of its loss-making fertilizer division to Norsk Hydro.

According to several market pundits, this move leaves the way open to a bid from several overseas interests, including the two big German groups Hoechst and Bayer. The shares have now risen 40p this week and a bid would value them at £103m.

The Stock Exchange has exonerated John Brown of any impropriety following a recent share placing of 5m shares ahead of a forecast loss in the machine tool division. The shares rose 1p to 63p.

Several International Coffee Organization (ICO) producers and consumers have formally submitted proposals for changes in any future international coffee agreement beyond September 30 next year, according to ICO delegates.

The proposals include suggestions for selective indicator prices for different types of coffee, an updated basis for distribution of quotas, improved shortfall provisions, a new formula for establishing trigger prices and some form of stockholding provision.

The current agreement has said, entire quotas or declare shortfalls in a timely fashion.

Several producers and consumers propose updating the reference years on which quota distribution negotiations are based, and which they consider give a disproportionate share to Brazil, ICO delegates said.

OTHER EXCHANGES

Hongkong: Hang Seng Index 1,390.15 down 25.87
Tokyo: Nikkei Dow Jones Index 7,828.00 down 81.79.

One group to have benefited from the recent train drivers' dispute is Bentalls, the departmental store group where the shares rose 1p to 37p. Word has filtered through that shoppers faced with the disruption to services have been buying locally throughout the January sales. In addition, the group last week opened a shopping complex in Tonbridge comprising of 60,000 sq ft, which it shares with J Sainsbury, and which is expected to make a significant contribution to profits.

There was a big buyer of Electrocomponents and the price recovered from an early level of 155p to end the day 2p up at 160p.

Norwich Electrical was suspended at 41p awaiting details of a possible bid approach. Throgmorton St Nominees hold around 10.95 per cent of the equity with ICFC a further 7.10 per cent.

The Kuwait Investment Office has sold its entire stake of 4.5m shares, or 7.79 per cent of the shares, in Alexander Howden, the insurance broker. News of the disposal left the price 4p higher at 152p.

Profits of IDC rose by 17.3 per cent to £1.22m last year with shareholders receiving a final dividend of £0.5p gross making 7.97p for the year against 7.23p. Despite no further signs of an upturn in the building season so far this year, Mr Howard Hicks, chairman, reckons prospects are reasonable and unlikely to fall below last year's level. The price rose 13p to a new high of 105p.

Equity turnover on February 1, was £139,655m (18,662 bargains).

Michael Clark

STERLING
\$1.8635 up 20 points
Index 91.9 up 0.1
DM 4.3825
FF 11.1150
Yen 434.50

DOLLAR
Index 111.1 up 0.2
DM 2.3500 up 52 pts
GOLD
\$380.50 up \$1.50

TODAY
Advance energy statistics (December).
Energy select committee.
National Economic Development Council monthly meeting.
Association of British Chambers of Commerce luncheon.
Commons discusses Lloyd's Bill.

Official inquiry on US steel dumping

Washington, Feb. 2. — The United States Government says there is enough merit in most of the complaints of unfair trade filed by American steelmakers against 11 foreign steel producers to warrant a formal investigation.

The complaints charge that a variety of foreign steel products have been either illegally subsidized by government aid to industry or dumped on the United States market at prices below the cost of production, violating international trade agreements.

The Commerce Department said last night that 109 of 132 petitions filed by seven United States steel companies on January 11 will be investigated.

Seven cases were dismissed because the supporting evidence was not sufficient and 16 cases were withdrawn by the companies, the department said.

According to the complaints, the products were made in Britain, Belgium, France, Italy, Luxembourg, the Netherlands, West Germany, South Africa, Brazil, Spain and Romania.

The petitions will now be sent to the International Trade Commission, which has until February 25 to determine on a preliminary basis if United States steelmakers have suffered economic injury because of the imports.

Large penalty duties can be imposed on steel imports if dumping or subsidies have caused injury to American producers.

The Commerce Department must decide on the subsidy cases no later than June 10. A dumping ruling is due by August 9.

The steel dispute is expected to be high on the agenda of meetings between European Economic Community and United States trade officials next week in Washington.

The talks are aimed at preventing disputes over both steel and farm exports from leading to protectionist measures on both sides of the Atlantic.

EC officials have bitterly rejected the allegations by the United States steelmakers and complain that the dispute is disrupting efforts to restructure their steel industry. — Reuter.

Management 'obstacle' to robots in industry

By Clive Cookson, Technology Correspondent

Managements' ignorance and fear, rather than union resistance, is the chief obstacle to the introduction of robots in British industry, according to an international study by Inbucon Management Consultants.

In nine detailed studies of British companies, which have recently introduced robots, the Inbucon report says that workers' initial suspicions could be overcome by "judicious and sympathetic consultation." Mr Stephen Dale, director of Inbucon, advanced technology group, knew of no British company whose unions had prevented the introduction of robots, though, he admitted, one or two companies had "nuked up their industrial relations" in the process.

Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, was quite enthusiastic about robotics in a section he contributed to the Inbucon report. "A sensible approach will allow us to move into an

era in which we attain levels of prosperity and peace unprecedented in human history," he wrote.

Japan has between half and three-quarters of the world's population of about 20,000 industrial robots.

British industry, which is quite a fertile territory for robots, has a present robot population of about 600, the sixth largest in the world, after Japan, the United States, West Germany, Sweden and Italy.

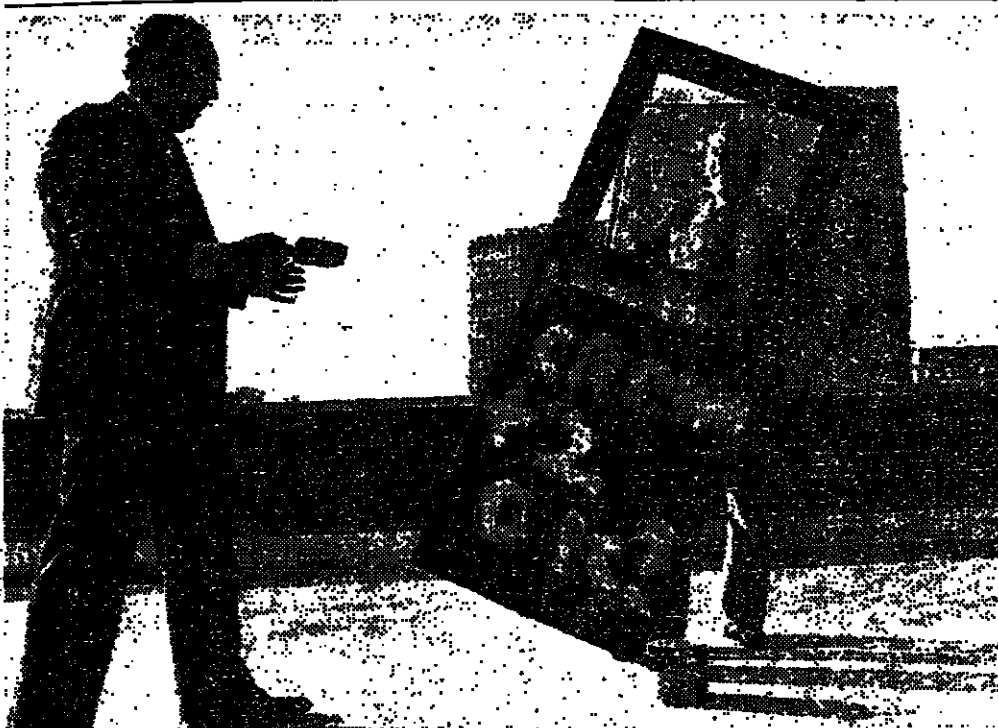
Numbers have doubled in the past three years and are increasing.

The present generation of relatively immobile and insensitive robots could perform only about 2 per cent of the world's total manufacturing activity. But a new generation of mobile, intelligent robots—moving around the factory on wheels or legs, and responding to what they "see" around them—is already more than a gleam in the Japanese researchers' eyes.

Sporting types, bracing themselves for what the smart money says is dearer drinks, smokes and motoring in the Budget on March 9, are already trying to claw back some of their cash from the politicians.

As of yesterday, some are already having a flutter in sterling on dollar price movements in politically-sensitive gold on the Ladbroke Index.

The Ladbroke, formerly the Coral Index, is offering a market in the movement of the London gold price. This is in addition to the existing books on the FT, Dow Jones and Hang Seng indices, as well as one-offs like numbers



Crown's Peter Burns and Gordon Fearley: ready for a brush with Dulux

Dulux takes pot shot at Crown

Dulux, Britain's leading paint maker, is enlisting the aid of that most colourful of televised ball games, snooker, to ward off Crown, its nearest rival in the £300 million paints market.

In a television advertisement being screened for the first time this week, Dulux is using a snooker table to emphasize the durability —

and colour — of its paints range.

This departure from its usual style of advertising indicates the more aggressive marketing stance ICI Paints is now taking to hold its position as market leader.

The move follows the success last year of Crown, part of Reed International, which increased its volume of sales last year by 25 per cent.

It now claims to have increased its share of the market by three points to 17 per cent as Dulux's share fell to 25 per cent.

Much of Crown's success was due to the launch of Matchpots, the little sample size pots of emulsion available for colour testing. They have helped Crown achieve brand leadership in the silk emulsion sector

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Ladbroke weighs up a wide-open field in Downing St stakes

By Ross Davies



Mrs Thatcher: Could she

BUSINESS NEWS/COMPANIES AND MARKET REPORTS

LESENEY PRODUCTS

Matchbox hopes to strike it rich

This is the time of year the £300m-sales toy industry looks not so much to signed new season orders but listens to the trade vibrations at key showrooms like this week's toy and hobby fair at Earls Court, London (Derek Harris writes).

So far, although nobody expects more than a tough trading year, the vibrations are moderately encouraging.

At least for the first time in two years the London fair, which ends today, has not been dominated by talk of the demise of manufacturers, like Dunbe Combex Marx in 1980 and Airfix last year.

Statistics are lacking but the verdict on last Christmas is that it was an improvement on the disaster of 1980 although some stock was left in the retail pipeline. Nevertheless there are already improved orders for items selling through the year.

The question mark over Lesney Products, the Matchbox range company which has the largest manufacturing base in Britain of any in the industry, has mainly

been over their 1981 losses and high borrowings.

At mid-term to last July the Lesney pre-tax deficit was down to £3.87m following a full-year pre-tax loss in 1980 of £10.96m on sales of £30m. Borrowings stood at £33.66m in July against shareholders' funds of £19.07m. Stocks had been cut by well over a third.

Mr John Abbott, chairman of Lesney Matchbox Toys says: "This coming 12 months could be recovery year after a survival year. We should get back to profit this year. Not that it is going to be an easy year for anybody."

Mr Abbott who has had a lifetime in the toy industry, pins hopes on 80 new products in Lesney's four categories, the die-cast models of which it is the world's largest manufacturer, motor racing sets, plastic model-making kits and pre-school toys.

Orders so far this year are a third up on last year's poor results but 15 per cent up on the more realistic comparison of 1980, Mr Abbott says. At the end of last year Lesney was not holding any obsolete or excess stock.



Selling Lesney: Mr Abbott and full-size model dwarfed by a giant hand

BROOKE BOND

Another unhappy trip to Europe

Yet another British food manufacturing company has found Europe a less than happy experience (Sally White writes). Lyons Rowntree and Unigate have all suffered various defeats. Brooke Bond Group has decided that such is the state of the market that it would rather get out altogether. It sold its German subsidiary Jokisch to the American group, Pillsbury for £2m a few months ago, and now it has disposed of its interests in France, Italy and the Benelux countries of £7m.

Brooke Bond is what is described as a mature company in the jargon of industry analysts. It has yet to convince the major funds that it has any new ideas up its sleeve as a growth stock for the 1980s, and, therefore, the share price stays fairly low so that a two-figure yield can be earned on an investment in the shares.

The rally into a new area was well regarded — Brooke Bond picked up the timber business of Mallinson Denny in a dawn raid just over a year ago.

The European sales not only provide £5m cash, they also release £5m worth of borrowings. What will the money go on?

John Thompson, top executive at Brooke Bond, says that they are looking to expand in America. There is also the new coffee brand "Red Mountain" that was launched last year — new launches are expensive. Some of the money will go on Mallinson-Denny.

Analysts put the rating at a prospective level of just over 8 per cent, and the yield at just over 10 per cent. The share price yesterday rose 1 1/2 to 54p.

The problems in Europe, according to Mr Thompson, are not so dissimilar from those in Britain. The "big battalions" are increasingly squeezing out small companies, even those with such good brand names as Brooke Bond. On the other side the retailers are cutting back on manufacturers' margins. BSN-Gervais Danone, the French group which is buying up most of the Brooke Bond interests, is at least fighting on its own ground.

INTERNATIONAL



UNITED STATES

Car production in United States, plunged almost 33 per cent in January from 1981 levels, to stand at the lowest production for the month in 35 years.

The head of the United Auto Workers Union has praised Ford in America for having "a better attitude" than General Motors after beginning a new round of concession talks, helping Ford compete with foreign manufacturers.

FRANCE

The Peugeot car company intends to shut down production lines at its plant at Sochaux, near Paris, for three days this month because of insufficient orders. More than 20,000 workers will be affected.

France's seasonally adjusted unemployment rose a provisional 0.9 per cent in 1,919,000 in January from the revised 1,902,000 in December.

France's second biggest pulp and paper group, La Rochette Compagnie, in which the United States Saint Regis group holds 28 per cent, expects an improvement in results this year after running up heavy losses in 1981.

BELGIUM

Some 25 per cent of shares of Banque Bruxelles Lambert are up for sale after changes in Groupe Bruxelles Lambert which owns just under half the bank. Apparently purchasers are being sought abroad as well as in Belgium.

Belgian unemployment at the end of January soared to a post-war high 10.6 per cent or 439,400 workers. It fell short of the 450,000 predicted by the government but an economic analyst said that level could soon be passed.

NETHERLANDS

Seasonally adjusted industrial production in the Netherlands fell 0.9 per cent to a provisional 114 (1975=100) in November from an upwards revised 115 in October and was also 0.9 per cent below its level a year earlier.

The engineering unit of the Krupp industrial group in Essen received DM530m order from Saudi Arabia for the delivery of a Cement Plant.

Japan will probably review its import quota system on 27 products after June's economic summit of 7 Western nations in Paris as another step to open the Japanese market to foreign goods.

Italy Montedison, the chemical group, has signed a contract in Milan to produce 100,000 metric tons annually of petrochemicals and plastics for Mexico's state oil company Pemex using Mexican crude.

Denmark is arranging three foreign credits totalling a provisional \$800m to cover its current payments and state budget deficits.

852.55. Advances led declines by around 500 points and volume slipped to 45,000,000 shares from 47,720,000 yesterday.

Most leading banks raised the prime rate to 16 1/2 per cent, following the lead of Citicorp, on Monday.

However, a dip in the Federal funds rate boosted the bond market somewhat, which in turn influenced stocks, experts said.

New York, Feb 2. — Stocks closed narrowly higher in moderate trading as investors moved to the sidelines amid conflicting signals on interest rates.

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UNITECH

Shares up on US purchase

Losses in Germany and a much reduced profit in France have pushed electronics group Unitech's profits down 38 per cent in the opening half.

The fall was forewarned by Chairman Mr Peter Curry who said four months ago that profits for the full year to next May would be about the same as the £4.2m reported last year.

But a 10 per cent dividend rise and the fact that the group's second half will benefit from a four-month contribution from Milwaukee-based Eric Manufacturing was enough to lift the shares —

10p down at one point — to close 10p up at 235p.

The half-time dividend is increased from a gross 3.6p to 4p and the £528,000 cost is covered around one and a half times by attributable profits. That has left £304,000 not distributed against £1.32m last time.

Above the line, sales fell 10 per cent to £39.9m and even with a lower interest charge, pre-tax profits fell from £1.38m to £1.47m for the six months to November 29 last.

Mr Curry says that de-stocking of micro-processors hit Germany and France, but there were no signs that the worst was over.

Unitech is paying \$8.4m (£4.5m) for Eric which makes and sells valves and other control components to the energy, water, purification and medical equipment markets. Unitech's United Kingdom offshoot, Appliance Components, has been agent for the group since 1977.

The purchase is based on a warranty that net worth at the end of last December was not less than \$5.6m and that net profit before management fees and tax for the same period will be at least \$1.8m.

GOLD FIELDS

Second dividend

Gold Fields of South Africa said yesterday that pre-tax profits for the first six months to the end of December had fallen to R52.8m (£25.3m) from R89.7m.

But the company has declared a second interim dividend of 165 cents, bringing payments in the current financial year to 180 cents, the same as at this time last year. Pre-tax profits for the whole of the previous year were R167m, and the dividend 500 cents.

While these figures are almost wholly attributable to

the fall in the price of gold — as the decline in Gold Fields dividend income from R84.4m to R50.2m shows — the heavy \$469m (£252m) loss incurred in 1981 by Inco, the Canadian nickel producer, was caused mainly by two exceptional items.

Inco's losses were in large part made in the final quarter when the company included in its results a provision of \$245m for the disposal of battery and other businesses of Inco Electro Energy and \$220m for loans to and debts of Eximbal, the mothballed Guatemala nickel mine.

But Inco made a trading loss in the final three months even after these exceptional items have been removed. The loss was \$40.6m compared with net earnings of \$2.25m for the same period of 1980. Profits earlier in the year, however, enabled Inco to make net earnings of \$20.4m against \$250m in 1980.

Inco, whose share of the

world nickel market it once dominated has steadily fallen, said that net sales for the year were down from \$2,150m to \$1,866m. Despite a full year loss of \$65.1m, a share, Inco has declared a fourth quarter dividend of 5 cents. But the company has managed to reduce nickel inventories from 155 million pounds at the end of 1980 to 144 million pounds.

PRESTIGE

Profits rise

Prestige Group has again shown how to keep effective control over finances with a 16 per cent pre-tax profit rise achieved against a tough market last year.

Prestige, whose chairman is Mr David Lawman, pushed profits up to £6.62m in the year to December compared with £5.7m last time. Sales, however, fell marginally by £20,000 to £64m. The group sells products under trade names such as Skyline and Ewbank.

Improvements in productivity and efficiency are behind the profit rise through further capital investment and tight control of working capital.

Increased earnings from its Australian and South African subsidiaries offset the continuing depressed demand in the United Kingdom and the group's European markets.

Capital employed is similar to last year, 22 per cent.

After bank overdrafts the balance sheet shows an increased cash position with £3.44m on deposit against £2.25m in 1981. Another £351,000 extraordinary item for the write-down of surplus

land and buildings in Belgium and a £31,000 net loss after disposal of three subsidiaries. They were sold for £889,000.

COWAN, DE GROOT

End of an era

Times continue to be hard for Cowan, De Groot, the toys, giftware and electrical wholesalers. After 20 years of growth, profits fell £1.65m for the year to April, 1981, and decline has continued into the first half year to October with taxable profits falling from £844,000 to £421,000, and sales slipping from £23.4m to £22.7m.

The group's assurance that finances are still strong and profits will improve persuaded the stock market, which had already discounted the share price, that recovery was in the offing. The ordinary share price rose 4p to 25p, which gives the company a market capitalization of around £5m.

Mr Derrick Cowan, chairman, said overall trading conditions throughout the industry and in the group remain difficult and significant profit for the second half will be hard to generate, but next year should see improvement.

Reorganization of the electrical division, which saw its profits severely eroded last year, should be completed by the end of the financial year after which benefits should start to accrue, he said.

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BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Britton and NIESR

The publicly — and charitably — funded National Institute for Economic and Social Research, bastion of Keynesianism and arch critic of the Government's economic policies, may be in for a shake-up.

Unlike the departing David Worswick, director for 16 years, Andrew Britton, who takes over in October, is not committed Keynesian.

Britton, currently an Under Secretary at the Treasury, concerned with monetary policy, has spent a sabbatical year in the monetarist camp at the London Business School, home of the so-called "international monetarism".

There Britton wrote an (unpublished) paper on the world economy and chewed the fat with Terry Burns, later appointed chief economist to the Government. Britton, 41, says that he does not accept economics as a "package deal" and says that there is much to attract him in the "new Keynesianism" of Professor James Meade, guru of the Social Democratic Party.

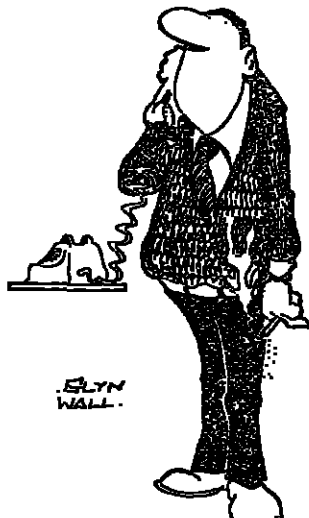
Gold in them thar tills

Chris Hales, the former stock jobber and commodity dealer who now heads the Ladbroke Index, is now making a book in everything, from the movement in the London price of gold to the number of goals scored in the S2 World Cup soccer games.

There was one game on which he wouldn't give me a bet yesterday, however, and that was how the Trident Television appeal against the loss of the Playboy and Clermont casino might go.

"No comment. Very delicate area", laughed Hales, conscious of the fact that a couple of years ago Ladbroke's would have been given very long odds against being out of the casino business by 1982.

On gold Hales was more helpful. He said: "I feel that gold had gone down far enough and the next move will be on the up side."



"I'd like a premium reduction starting today, I've changed to a low tar brand."

Singapore and after

John Marsh, the former director of the British Institute of Management, has a poignant mixture of business and remembrance ahead of him when he flies out to the Far East this week.

He will go first to Bombay where, in his capacity as consultant to the Voltas trading subsidiary of the Indian group Tata, he will discuss Anglo-Indian and third country deals.

Marsh will then proceed to Singapore for meetings in connection with his chairmanship of Executive Resources International and as a director of New Product Management.

But February 15, the fortieth anniversary of the fall of Singapore, will find Marsh laying wreaths. This is on behalf of the Far East Prisoners' Club of London, of which he is founder-member No 1, and of the Royal Army Service Corps, Singapore Fortress, of which in 1940 Major Marsh was acting head.

Marsh, now 68, was one of the lucky ones. He was down to two-thirds of his normal weight when liberated from the River Kwai base camp in Thailand. But 320 of the 500 men in his unit did not come back at all.

Ross Davies

NEW APPOINTMENTS

Mr Cecil J. Baker and Mr Michael I. Gee have been appointed directors of United Real Property Trust.

Mr Erwin Bielinski, head of Brown Boveri International, has been appointed chairman of Brown Boveri Kent (Holdings).

Mr C. P. Nichols, chairman and managing director of George Nichols (plastering), has been elected president of the National Federation of Plastering Contractors for 1982/83. The new senior vice-president is Mr K. G. Simon.

Telling Plasterers, who is managing director of the HAT Group's plastering division. The junior vice-president is Mr V. M. Hall, senior partner of Hall and Mann.

Dr Basil Bard, chairman of the New Product Management Group, a former managing director of National Research Development Corporation, has been appointed a director of The Technology and Innovations Exchange (TIE) with special responsibility for licensing.



President Reagan and Fed chairman Volcker versus Chancellor Howe, French Prime Minister Pierre Mauroy and Chancellor Schmidt

David Blake on a new battle of the Atlantic
Time to untangle the interest rates mess

Three extraordinary developments in the United States in the past 10 days lie behind the Governor of the Bank of England's attack on American interest rate policy on Monday night.

On Tuesday of last week, President Reagan announced that after weeks of public anguish he had decided not to increase indirect taxes as all his advisers had told him to do. At the same time, Federal Reserve president Paul Volcker announced that he did not intend to push up interest rates, a clear sign that he was seeking to head off Administration criticism of the Fed.

Next day, United States Treasury Secretary Donald Regan was before Congress to defend the Administration's policy. The Federal Reserve Board had failed to get money supply under short-term control, thus contributing to uncertainty in financial markets.

As one expert observer remarked yesterday it is hard to make more mistakes within one 24 hour period than that.

Yet the fear in Europe this week is that it is the rest of the world, not the United States, which will suffer as a result of the mess into which American economic policies have descended. In particular, the Europeans fear that they may be forced into having high interest rates for years to come because of American policies.

This would choke off European recovery unless they decided to accept that low interest rates here would produce a drop in their currencies and thus increased inflation.

The speech by the Governor, following on similar pronouncements last week by the Chancellor and other European leaders is a last-ditch effort to head off that choice. Few people are optimistic about the chances of success.

Just two weeks ago, the picture looked very different. Interest rates in Europe seemed set to fall following a meeting of the Group of Five finance ministers representing America, Britain, France, Germany and Japan over the weekend of January 16.

Following those talks there was heavy intervention in the foreign exchange markets and cuts in interest rates in major European centres. Word got around that concerted action had been agreed on over that weekend to reduce interest rates around the world.

It is now clear that no such agreement was reached even in Europe. What happened was that the German authorities decided to try to push their interest rates down and some of the smaller countries in Europe used the leeway this gave them to move their own interest rates down.

The motives behind the German action were clear. They wanted to achieve two things at once. Cutting interest rates should help revive the flagging German economy at a time when unemployment (at more than 1.7 million) has become a major national issue.

At the same time they want to see the mark up against the dollar to reduce their inflation rate; they want above all to prevent a drop in the exchange rate pushing up German inflation.

For the Germans, like all Europeans, the ideal way for this to happen would be for the Americans to move. Since early last year Germany has been pressing the Americans to bring interest rates down.

Just before Christmas it looked as if they had succeeded; interest rates in New York fell significantly, taking the pressure off Europe.

It has become clear in the past few weeks that this respite was temporary. To understand why this is so, it is vital to analyse the forces at work in the American economy, which still dominates all others.

American interest rates are set by the market's views about what is needed to ensure that the Fed meets its target of keeping the chosen measure of money supply (M1) under control.

On paper, the American authorities set themselves a narrower target than those in Britain; but in fact M-1, such is the inventiveness of the American banking system, includes lots of interest-earning accounts of the sort which only get counted in the wide definition (M-3) in Britain.

The result of this is that in the short term attempts to control it through raising interest rates are as likely to suck money in as they are to choke off loan demand.

American money supply is bound to vary a lot. This is why the three American statements last week were so dangerously inconsistent.

Faced with this problem, the European nations have adopted a two-pronged approach. The governments are lecturing the American Government on the need to cut its deficit. This will ease the long-term pressure on money supply, though possibly at the cost of a renewed recession.

This is running right up against a stone wall from the American Administration. The Governor of the Bank of England has taken a different view. This is that it is the obsession with short term monetary control which is more to blame — a statement which provokes echoes of the Bank's view about Britain's monetarist experiment. He is recommending a broad brush approach on the part of the American authorities to monetary control.

But this runs slap into the extraordinary statement last week by the United States Treasury Secretary attacking the Fed's failure to keep short-term control of the money aggregates.

Where does this leave the Europeans? They want their currencies to remain stable but they also want to get their interest rates down at a time when world interest rates (set by the United States) are rising.

They believe that the United States is moving into current account deficit and some countries (notably Germany) are moving into surplus, thus giving hope of a weaker dollar next year. But they face a testing time in the next few months.

Their top target is to head off a new round of interest rises in Europe; the German efforts to bring down money supply have met with little success. But it needs to increase the doses as a response to the failure of the treatment. The only internal American response to this dilemma would be for the Government to cut the Budget deficit by raising taxes, something which President Reagan refused to do last week.

The American authorities are thus saddled with a set of policies which result in two undesirable elements. The first is that in order to bring down monetary growth in the long term interest rates have to be very high. The second is that in the short term the

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London Academy of Modelling principal Cheryl Hughes shows her namesake, teacher John Hughes, how his students' image can be improved during last week's open day.

of the first schools involved is the St Marks School, a comprehensive in Fulham and two thirds of those attending will be boys.

Mrs Hughes does not believe high unemployment has influenced her. "The first impression you give to an employer, socially or for any interview, has always been important. That is really no different now to the 1950s when the economic climate was better," she says.

The establishment's own slogan hits a vulnerable point: "Your students will never have a second chance to make a first impression."

The day starts with a talk by Mrs Hughes, then goes on to a session on deportment, poise and posture. Making an entrance is followed by personality projection, interview techniques and the approach to employers. This confidence building is the hub, but equally important, says Mrs Hughes, is the afternoon's session on outward appearance.

The staff — all specialized in training fashion models — are there to give their guidance. Both boys and girls are bailed with advice on dress, sense and clothes maintenance. And, while the boys learn about hair care and dieting, the girls are taught the very discreetest make-up and given skin care hints.

Mrs Hughes does not fear the boys will be either too inhibited or shy to benefit. "They have tended to be a bit sceptical but, once they see what goes on, they enjoy it

as much as anyone else and don't regard it as cissy."

There is just one area of sex discrimination the academy offers the girl who shows the most model potential — a free modelling course, worth £198.

Sister Margaret Mary is a teacher at the Ursuline Convent, a comprehensive school in Brentwood. Last week Mrs Hughes and her team visited the school and Sister Margaret Mary is enthusiastic about the benefits of the course.

"This is one aspect that schools can't really offer the girls or, if they did, they are unlikely to take much notice of teachers telling them how important it is," says Sister Margaret.

About 70 per cent of the school's girls go on to university, so the experiment was aimed originally at those who will be looking for jobs this summer.

No-one is denying the value of academic and personal achievements in the search for jobs, but instinct points to the added bonus of presentation. Youngsters aged between 16 and 24 now make up 1.7 million of the 3.07 million unemployed and nearly 150,000 of these are school leavers under 18.

Such ventures as this are certainly more practical than the sad sight on television recently of school classes being held to show pupils how to fill in our Department of Employment and Social Security forms.

As Mr John Colby, in charge of recruitment for the Prudential insurance compa-

ny, reminds us, most prospective employers have a seven-point plan — circumstances, attainment, physical appearance, intelligence, aptitudes, interests and disposition. An eighth has recently been added — motivation.

● The At Work column, which examines the whole employment scene, will appear every Wednesday

Base Lending Rates

ABN Bank	14%
Barclays	14%
BCCI	14%
Consolidated Crds.	14%
C. Hoare & Co	14%
Lloyds Bank	14%
Midland Bank	14%
Nat Westminster	14%
TSB	14%
Williams & Glyn's	14%

* 7 day deposits on sums of £10,000 or more
£10,000 to £50,000 12.5%
£50,000 to £100,000 12.25%
£100,000 and over 12%

THE NEW THROGMORTON TRUST LTD.
Capital Loan Stock Valuation 2nd February
The Net Asset Value per £1 of Capital Loan Stock is 300.88p calculated on Formula 1.
Securities valued at middle market prices.

Business Editor
Banks ready to do their duty

When the banks were hit with the "windfall" profits tax in the last Budget, the Chancellor of the Exchequer was at pains to emphasize that this was a one-off tax while the banks for their part pointed out that 1980 profits represented a cyclical peak — an argument both for not levying the tax in the first place and for certainly not repeating it.

In the event, the banks to their embarrassment will soon be reporting even higher profits for 1981 — a total of £1,599m for the big four, according to stockbrokers.

W. Greenwell, who would be a rise of nearly a tenth on the so-called peak. Furthermore Greenwell reckons that 1982 profits could be higher again, no doubt in an effort to forestall pressure for a new rise in interest rates.

What is completely lacking is any idea of what to do next. At the Ottawa economic summit in July last year, the Americans were given a blunt warning that they had until the end of 1981 to bring down interest rates which were, Helmut Schmidt said, "at their highest level since the birth of Christ."

None of the factors which pushed them there have improved since last July.

The fear which is beginning to dawn is that the whole system may be unstable. The argument goes like this. When a major country goes into large deficit on its payments, it is forced to take progressively tougher measures at home to right its economy. These take time to work and in the short term a devaluation of currency makes the trade deficit bigger, because exporters receive less for their goods.

After time, the combination of measures produces overkill. Tight domestic policy at home and repeated devaluation produce a lurch into surplus. As that happens the currency goes up in value and the surplus gets bigger.

On this theory the dollar is on one of its upward swings. This is forcing the Europeans to deflate and forcing down the value of their currencies.

That is bad enough but at some point soon, the swing could start to move the other way, with rising European currencies and a falling dollar, as people finally decide that America has not got its deficits and inflation under control.

So far, the countries of the West have stood apart from each other shouting: "Can't you see you are hurting me." What has so far been lacking, and what seems not to be in sight, is an agreement that we are hurting ourselves and a notion of what can be done to stop that.

for the TUC to speak out on the need for substantial expansion, it knows full well that its case will be treated as no more than cannon fodder for those who believe in attacking fiscal irresponsibility. Even the CBI is unlikely to be asking for much more than a modest expansion when it comes to make its formal Budget proposals next week. Its main concern is likely to be that the emphasis of the Chancellor's measures is laid on helping industry rather than the personal sector.

The more pertinent question is whether the apparent tax give-aways that seem likely to occur on Budget day will in fact add up to any expansion at all. For whatever may be given away to the corporate sector, or over and above the basic indexing of allowances and tax bands on the personal front, has to be set against the increased national insurance contributions to be made by employees.

Complicating the picture still further now are the latest developments in international interest rates. The Government, quite rightly, goes in fear of developments in the American economy this year wrecking prospects for their United Kingdom strategy.

Bundesbank yesterday took the unusual step of telling the world that it would keep its interest rates unchanged this week, no doubt in an effort to forestall pressure for a new rise in interest rates.

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Despite the bingo war — Fleet Street's latest form of hara-kiri — Mirror Group Newspapers managed to break even in the third quarter of the current year to March. Nevertheless there is a growing suspicion that at least one title, probably the Daily Mirror, is up for sale. Certainly owner Reed International was showing little sign of commitment to national newspapers yesterday.

Over the past 12 months, Reed has committed around £20m in picking up regional newspaper chains where the new technology (actually Sixties technology) reduces printing costs and where advertising revenue through free sheets is relatively buoyant. After the on-off decision to close Odhams printing works last week, Reed could well decide to reduce its involvement in national publishing.

The cover price rise at the Daily Mirror last autumn and cost cutting at IPC magazines helped to mitigate the effects of a 25 per cent increase in newsprint caused by the fall in sterling. Elsewhere in the group, last year's rationalization in the wall-covering and paper divisions have helped to bring them back into profit, while building products held steady despite the recession.

Yet the market was disappointed at a nine-month out-turn of £55.7m pre-tax against £42.1m. Forecasts for the full year to next month have been downgraded from £80m to £73m or £75m pre-tax.

Which depends on the outcome of the talks at Odhams. If there is to be a closure at Watford, then redundancy costs in the final quarter could total £5m. Quarterly profits this year have been erratic with the first producing £23.1m, the second £14.9m and the third £17.7m. It is asking a lot for Reed to make over £20m in the final quarter when demand is still low.

At the third-quarter stage, sales rose from £1,000m to £1,244, with £20m accruing from the United Kingdom and exports. Yet overseas activities accounted £28.8m of total trading profits due partly to the decline of the Canadian dollar against the United States currency, which is magnified by translation into sterling.

Reed shares have enjoyed a good run-up over the past six months but fell back 4p to 274p yesterday.

For instance, it would most encourage industry to switch hardcore overdraft finance into term loans which would be much cheaper for the banks to administer. The Grylls proposals in some form are introduced, it would also have important implications for the bank's leasing business which would need to be considered. But in any case it would not be surprising to see the banks prepared to bear some of the cost of the scheme if only to forestall another windfall tax.

The economy Facing reality

The TUC could hardly have chosen a better day to put out its call for an £8,000m plus expansionary package. The latest CBI industrial trends survey, also out yesterday, is distinctly lacking in evidence to back the more optimistic noises that have been emanating recently from some of the Cabinet ministers — Mr Francis Pym excepted.

Basically, what the CBI is saying is this: if there is light at the end of the tunnel, it is still fairly faint — so faint indeed that a good number of our members are having trouble perceiving it at all.

But if that seems to provide a timely moment

for the TUC to speak out on the need for substantial expansion, it knows full well that its case will be treated as no more than cannon fodder for those who believe in attacking fiscal irresponsibility. Even the CBI is unlikely to be asking for much more than a modest expansion when it comes to make its formal Budget proposals next week. Its main concern is likely to be that the emphasis of the Chancellor's measures is laid on helping industry rather than the personal sector.

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Despite the bingo war — Fleet Street's latest form of hara-kiri — Mirror Group Newspapers managed to break even in the third quarter of the current year to March. Nevertheless there is a growing suspicion that at least one title, probably the Daily Mirror, is up for sale. Certainly owner Reed International was showing little sign of commitment to national newspapers yesterday.

Over the past 12 months, Reed has committed around £20m in picking up regional newspaper chains where the new technology (actually Sixties technology) reduces printing costs and where advertising revenue through free sheets is relatively buoyant. After the on-off decision to close Odhams printing works last week, Reed could well decide to reduce its involvement in national publishing.

The cover price rise at the Daily Mirror last autumn and cost cutting at IPC magazines helped to mitigate the effects of a 25 per cent increase in newsprint caused by the fall in sterling. Elsewhere in the group, last year's rationalization in the wall-covering and paper divisions have helped to bring them back into profit, while building products held steady despite the recession.

Yet the market was disappointed at a nine-month out-turn of £55.7m pre-tax against £42.1m. Forecasts for the full year to next month have been downgraded from £80m to £73m or £75m pre-tax.

Which depends on the outcome of the talks at Odhams. If there is to be a closure at Watford, then redundancy costs in the final quarter could total £5m. Quarterly profits this year have been erratic with the first producing £23.1m, the second £14.9m and the third £17.7m. It is asking a lot for Reed to make over £20m in the final quarter when demand is still low.

At the third-quarter stage, sales rose from £1,000m to £1,244, with £20m accruing from the United Kingdom and exports. Yet overseas activities accounted £28.8m of total trading profits due partly to the decline of the Canadian dollar against the United States currency, which is magnified by translation into sterling.

Reed shares have enjoyed a good run-up over the past six months but fell back 4p to 274p yesterday.

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The Over-the-Counter Market

1981/82	High	Low	Company	Price	Ch'ge	Gross Div (%)	Yld	Actual	P/E Ratio	Dividend
123	100	95	ABI Hlths 10% CULS	121	-1	10.0	8.3	—	—	—
75	62	58	Airprng Group	70	-	4.7	6.7	11.1	15.4	—
51	33	30	Armitage & Rhodes	45	-	4.3	9.6	3.8	8.5	—
205	187	180	Bardon Hill	204	-1	9.7	4.8	9.9	12.1	—
104	79	75	Deborah Services	79	-1	6.0	7.6	3.9	7.4	—
130	97	92	Frank Horsell	128	-1	6.4	5.0	11.5	23.7	—
78	39	35	Frederick Parker	78	-	1.7	2.2	33.9	—	—
78	46	42	George Blair	50	-	—	—	—	—	—
102	93	88	IPC	95	-	7.3	7.7	6.8	10.3	—
105	100	95	Isis Conv Prof	105	-	15.7	15.0	—	—	—
113	95	90	Jackson Group	95	-	7.0	7.4	3.0	6.7	—
130	108	102	James Burewagh	112	-1	8.7	7.8	8.2	10.3	—
334	250	230	Robert Jenkins	250	-	31.3	12.5	3.5	8.8	—
59	51	48	Scruttons "A"	55	-1	3.3	9.6	8.5	7.9	—
222	165	150	Torday & Carlisle	165	-1	10.7	6.5	5.3	9.8	—
15	10	8	Twinkl Ord	13	-1/4	—	—	—	—	—
80	66	62	Twinkl 15% ULS	77	-	15.0	19.7	—	—	—
44	27	25	Unilock Holdings	27	-	3.0	11.1	4.8	8.2	—
103	75	70	Walter Alexander	75	-	6.4	8.5	4.9	8.7	—
263	212	200	W. S. Yeates	218	-	13.1	6.0	4.1	8.4	—

Prices now available on Prestel page 48146

Faces to follow: three swimmers in the wake of exalted but erstwhile Olympians
Out to show world a clean pair of soles

high, almost dislocatory shoulder action, has driven her to a motive-fashion to a silver medal at the European championships and no fewer than four Commonwealth records.

Geer, are also unconventional swimmers, but that her workload is comparatively light but extremely varied. Her potential is enormous, and I feel she could become a world-class medley swimmer, provided that the essential increase in training loads does not blunt her enthusiasm. On current evidence, she will be one of the future runners in breaststroke at the Guayaquil and Brisbane Games.

It is particularly satisfying to be able to examine fine Croft prospects with justifiable optimism for her slim, almost fragile physique has been a pillar of strength in the national team for nearly two years.

Miss Croft had an outstanding weekend in Amersfoort with two gold and two silver medals in

four freestyle events, including a new Commonwealth record of 20 metres (2min 00.49sec), and equaling the Commonwealth record at 100 metres (at 56.95 sec). In the last three weeks, she has set seven new national freestyle records and three Commonwealth records. All these will be meeting many of the world's best swimmers at the

to nowhere

A country with a similar cycling development to Britain is Switzerland, which until on

years ago did not have a full professional team. Their professionals competed in various teams in Italy, France and the Netherlands. Since the formation of a national team, sponsored by a leading Swiss bank, the sport has blossomed in that country.

Thorne ignores blacklist

Willie Thorne is ignoring an anti-apartheid blacklist to play for a rest of the world team in a series in South Africa. Thorne

Thorne, aged 28, was among 128 sportsmen and administrators on a blacklist announced in April by the South African National Racial Olympic Committee. Thorne has played in South Africa before, but not since the list was announced. He said

rtunities

(10-1) 4m, 1.3 min
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3.15 (3.16) NETTON CHASE (Wv to novices:
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Kilken G Brackley (-1-1) 2
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St Albans 1, 2, 3 & 4 bed £24-62,000

Stipson 3 bed £38-39,000

Walsley Garden City 2, 3 & 4 bed £30-55,000

Wimbledon 2 & 4 bed £33-52,000

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Going on the Gold Standard

Those builders who are having trouble getting rid of their houses have gone on the Gold Standard. So if you dream of gold bars, piles of cash and a new car in the garage, you no longer have to do the pools or hope that your premium bond comes up. All you have to do is buy a new house, for all these goodies are on offer from the major housebuilders as an incentive to buy in these recession-hit times.



Comben Homes' development of 22 two three and four bedroom homes at The Green, South Wales, aims to show new styles can be blended in with existing buildings. Prices range from £40,000 to £80,000.

The gold ingots seem to be limited to Crouch Homes which celebrated its fiftieth anniversary last year. If you bought a Crouch home in 1981, a 10 gramme 24 carat gold bar was yours for every £10,000 of the purchase price. As an added extra if you exchanged contracts in less than 15 weeks, another ingot was put in your eager hand. However, not all the builders' incentives are as unusual. Most come in the form of benefits.

Many housebuilders, especially the top names, offer mortgages with their new developments, often up to 95 per cent of the purchase price. Building societies give the builders an allocation for new homes. These are often the larger societies where interest rates are competitive. Names like Wimpey, Wates, New Ideal Homes, Algrey, Barratt and Dryden offer subsidised mortgages for a year after purchase.

Wates is offering a zero interest mortgage for six months on houses where contracts have been exchanged within six weeks of reservation. The zero mortgage lasts for shorter periods than six months where contracts are exchanged longer after reservation. The price of the houses also limits the size of the mortgage which is eligible for nil interest. For example, no interest will be charged on £15,000 of the mortgage for a £35,000 house.

Wimpey, Algrey and Dryden reduce the mortgage rate to 7.5 per cent for a year after purchase. In Wimpey's case, the limit is a £25,000 mortgage. New Ideal Home subsidises mortgages at 10 per cent for a year, as does Barratt, again up to a £25,000 loan. Contracts

have to be exchanged within six weeks and the money can be paid in two instalments in cash. After that, New Ideal allows £1,000 off the purchase price for an exchange within six weeks.

With the spectre of redundancy looming large for many people, the prospect of mortgage protection from the house-builder is attractive. Bristol-based Comben Homes, Britain's fifth largest housebuilder, pioneered a redundancy protection scheme. Comben will pay premiums on an insurance policy covering mortgage repayments. The scheme has been taken up by other builders since then.

Wimpey Homes has a system whereby if the home buyer is made redundant within two years of purchase, the builder will pay the mortgage for another two years. Many a distraught person trying to sell his own house and buy a brand new one will be grateful for the offer from some of the builders to buy his existing home. Both builder and prospective customer can benefit from breaking the buying and selling chain which holds up so many people in their attempt to move. Delays little as £200-£250, taking into account the 10 per cent mortgage and loan or £500 in cash.

Builders offering part exchange include Wimpey, Laing, Comben, Broseley, New Ideal, Northern and Southern Ideal and Barby. In Wimpey's case, the limit is a £25,000 mortgage. New Ideal Home subsidises mortgages at 10 per cent for a year, as does Barratt, again up to a £25,000 loan. Contracts

Savings plans, rather like the ones launched by the Government last year are also available from people such as Comben, Wimpey, Laurence Homes, and Barratt. If prospective buyers have not saved enough for a deposit, Wimpey and Barratt will add £20 to every £100 regularly saved with a building society. On selected Wimpey schemes, buyers can move in and live rent free while they save the rest of the deposit needed to make up the purchase price. Similarly, Comben allows first-time buyers to move in for £100 with four months to save for their deposit before paying the mortgage instalments.

Laurence Homes has a Bonus Savings Scheme by which it will double the building society interest received on savings if the saver buys a Laurence house.

For those people looking for a foot on the rung of the housing ladder, more and more of the builders are selling studio type flats, first marketed by Barratt's Barratt's Solo was first in the field but it is being followed up by other big names in the house market. Barratt says there is an insatiable demand for this type of home.

Wimpey has its Super Singles which have sold so quickly that it plans to build another 1,000 this year. It says its singles are slightly larger than Barratt's and have a separate bath rather than shower. Wates also has Studio units on the way which it says are 15 per cent larger than Barratt's Solos.

However, attractive things like free carpets, colour televisions and cars may be the prime need, for the first-time buyer especially is help with a deposit and low-cost small homes.

That is the view of West Country agents Lalonde Brothers & Parham. Residential partner Peter Sykes says many of the incentives are more eye catching than practical. He predicts that builders who help financially with deposits, fees and savings will be the ones who maintain sales in 1982. Certainly if you are thinking of buying a new house, now is the time to shop around for the best offers.

Brookfield Gardens

Isle of Wight

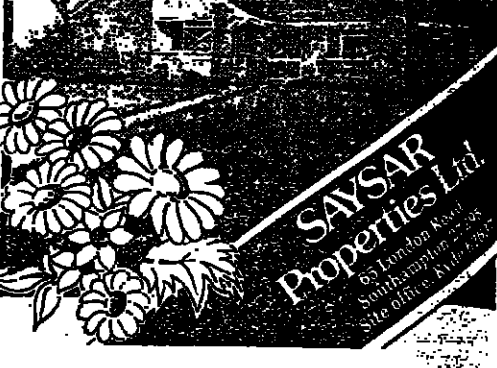
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CAMBRIDGESHIRE Cambridge, Kimpton, March, Chesham, March, Wymington, Wymington, Wymington

CLEVELAND Redmarshall

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DERBYSHIRE Ashbourne

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GLoucestershire Cheltenham, Dursley, Gloucester, Stroud, Stroud, Stroud

HAMPSHIRE Brockenhurst, Chichester, Fareham, Havant, Southampton, Winchester

HERTFORDSHIRE Hemel Hempstead, Hemel Hempstead, Hemel Hempstead

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ISLE OF WIGHT Brighthelm, Chichester, Chichester

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LANCASHIRE Adlington, Chorley, Chorley

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NORTHAMPTONSHIRE Brackley, Brackley, Brackley

NORTHUMBRIA Bardon, Bardon, Bardon

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Today's television and radio programmes

Edited by Peter Dear

BBC 1	BBC 2	ITV/LONDON	Radio 4	Radio 3	Radio 2	Radio 1
<p>9.05 For Schools, Colleges: Dye and Investment Casting, 9.30 Science: Dissolving, 10.00 You and Me with Lesley Williams (not Schools), 10.15 Everyday Maths, 10.30 Geography, 11.00 Words and Pictures, 11.17 Electricity in Music, 11.40 Living Images, 11.50 French, 12.30 News Afternoon with Richard Whitmore and Moira Stuart, 12.57 Regional news (London and SE only), Financial report and news headlines, 1.00 Pebble Mill at One, With the £1,000 competition winner, 1.45 Postman Pat, A See-Saw programme for the very young (1), 2.01 For Schools, Colleges: To the Polar regions with Captain Cook, 2.40 Travelling by horse and motor, 3.05 Songs of Robert Burns, 3.15 The King of the Hares, 3.40 Play It Safe! introduced by Jimmy Savile (7), 3.53 Regional news (not London).</p>	<p>10.20 Gharbar A magazine programme of interest to Asian women, 10.45 Close Down, 11.00 Play School, For the under fives presented by Sarah Long and Don Spencer with Derek Griffiths. The story is Biffy - the Small Dog with the Big Bone, by Julie and Don Spencer, 11.25 Close Down, 12.30 Open University: Developing Mathematical Thinking: Fractions, 12.50 Close Down, 3.55 Landscapes of England, In the fifth of twelve excursions of discovery Professor W. G. Hoskins visits the Black Country, the area of south Staffordshire between Wolverhampton and Wolverhampton, Professor Hoskins examines the landscape and the influence it has on the population (7).</p>	<p>9.30 For Schools: Insight for the hearing impaired, 9.47 Picture Box 10.04 A visit to a quarry and the uses of stone in architecture, 10.16 German conversation, 10.38 The Legacy of Faisal 11.02 A visit to Cairo, 11.20 The Need for Sleep and exercise, 11.38 The Royal Wedding of 1947, 12.00 The Munch Bunch, Vegetable characters for the very young, 12.10 Rainbow, Learning with puppets, 12.30 Play R Again, Tony Bittow talks to Oliver Tobias who also chooses some clips from his favourite films, 1.00 News, 1.20 Thames news, 1.30 Take the High Road, Drama serial set in a highland estate, 2.00 After Noon Play, American actress Nancy Roberts extols the virtues of 'big is beautiful' to Key Avila, 2.45 The Six Million Dollar Man, Steve Austin identifies a man he saw try to kill somebody, but he has a cast-iron alibi (7), 3.45 destination. A quiz chaired by Pete Murray.</p>	<p>6.00 News Briefing, 6.10 Farming Today, 6.30 Today, 6.58 Yesterday in Parliament, 6.59 News, 7.00 Midweek Henry Kelly, 7.05 News, 7.10 Gardeners', Question Time with Clive Anderson, 7.15 Morning Story: 'Everything I do' by Brian Glavin, 7.20 News, 7.25 Bala's Dozen, 7.30 News, 7.35 You and Yours, 7.40 The World in 25 Years, 7.45 Johnny Morris recites 25 years of travel, 7.50 News, 7.55 The World at One, 8.00 The Archers, 8.05 News, 8.10 Women's Hour, 8.15 Play: 'You're Laughing, Claud' by Michael Toft, 8.20 Zoo Talk, 8.25 News, 8.30 Play: 'Mental Floss' by Robert Foster (8), 8.35 PM, 8.40 News and Financial Report, 8.45 News, 8.50 News, 8.55 The Archers, 9.00 News, 9.05 The Profession of Intelligence, The history of British intelligence, 9.10 News, 9.15 The Second World War, (The second of three documentaries), 9.20 A Slowly Look At... by Anthony Smith, 9.25 File on 4: Major issues, important events at home and abroad, 9.30 Quota... Unquote, Nigel Rees and guests share favourite quotations and identify others, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 News, 12.10 News, 12.15 News, 12.20 News, 12.25 News, 12.30 News, 12.35 News, 12.40 News, 12.45 News, 12.50 News, 12.55 News, 13.00 News, 13.05 News, 13.10 News, 13.15 News, 13.20 News, 13.25 News, 13.30 News, 13.35 News, 13.40 News, 13.45 News, 13.50 News, 13.55 News, 14.00 News, 14.05 News, 14.10 News, 14.15 News, 14.20 News, 14.25 News, 14.30 News, 14.35 News, 14.40 News, 14.45 News, 14.50 News, 14.55 News, 15.00 News, 15.05 News, 15.10 News, 15.15 News, 15.20 News, 15.25 News, 15.30 News, 15.35 News, 15.40 News, 15.45 News, 15.50 News, 15.55 News, 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Around Britain

	Sun	Rain	Wind	Temp	Sun	Rain	Wind	Temp
Scarborough	—	—	4	49	—	—	10	50
Bridlington	—	—	5	41	—	—	10	46
Littlehampton	6.4	—	4	49	—	—	10	46
Bospor Regis	7.6	—	4	49	—	—	9	48
Stanhope	—	—	4	49	—	—	9	48
Stanhope	3.9	—	6	43	—	—	9	48
Bournemouth	6.9	—	7	45	—	—	9	48
Poole	—	—	7	45	—	—	9	48
Swansea	—	—	6	43	—	—	8	43
Weymouth	2.6	—	7	45	—	—	8	43
Southport	2.5	—	7	45	—	—	8	43
Telghmouth	2.0	—	9	48	—	—	8	43
Torquay	3.3	—	9	48	—	—	8	43
Wexham	2.3	—	10	50	—	—	8	43
Penzance	2.8	—	10	50	—	—	8	43
Jersey	7.5	—	8	46	—	—	7	43
Bournemouth	1.5	—	7	45	—	—	8	46
Torquay	—	—	7	45	—	—	8	46

Abroad

MIDDAY: c, cloud; f, fair; r, rain; s, sun; on, snow.

	C	F	D	C	F	D	C	F	D	
Algeria	12	54	Depok	c	3	77	Madrid	c	5	41
Alexia	12	54	Quito	c	3	77	Paris	f	13	51
Algiers	17	63	Dublin	r	9	48	Vienna	f	13	51
Amsterdam	4	39	Doha	r	7	45	Wagga	s	15	29
Bahrain	19	66	Durrheim	s	1	34	Malta	c	11	32
Bombay	13	55	Frankfurt	s	6	43	Medan City	c	11	32
Buenos Aires	13	55	Frankfurt	s	6	43	Mexico	c	5	41
Calcutta	0	32	Funchal	s	17	63	Montevideo	f	7	19
Canton	1	34	Glasgow	s	14	57	Munich	f	2	28
Cebu	10	50	Helsinki	s	14	57	Nairobi	f	7	45
Colon	10	50	Hong Kong	s	14	57	Osaka	f	2	28
Damascus	7	48	Isleworth	s	1	34	Porto	f	2	28
Darwin	1	34	Isleworth	s	1	34	Reykjavik	f	2	28
Delhi	4	39	London	s	2	28	Stockholm	f	2	28
Disburg	1	34	London	s	2	28	Taipei	f	2	28
Edinburgh	1	34	London	s	2	28	Tokyo	f	2	28
Hankow	1	34	London	s	2	28	Toronto	f	2	28
Hong Kong	1	34	London	s	2	28	Winnipeg	f	2	28
Kobe	1	34	London	s	2	28	Yokohama	f	2	28
London	1	34	London	s	2	28				
Lyons	1	34	London	s	2	28				
Manila	1	34	London	s	2	28				
Medan	1	34	London	s	2	28				
Montevideo	1	34	London	s	2	28				
Munich	1	34	London	s	2	28				
Nairobi	1	34	London	s	2	28				
Osaka	1	34	London	s	2	28				
Porto	1	34	London	s	2	28				
Reykjavik	1	34	London	s	2	28				
Stockholm	1	34	London	s	2	28				
Taipei	1									

Focus on NIGERIA

Oil has made Nigeria the richest nation in Africa in terms of gnp, but it also has the largest number of mouths to feed. Godfrey Morrison takes stock of the Federal Government's record since the return to civilian rule in 1979

Two years after the return to civilian rule, Nigeria has weathered political and economic difficulties in a way which shows that most Nigerians are determined to keep this huge country united and assume its natural leadership role in Africa.

Judging from results so far it is clear that the military were wise to break the country up into 19 states and that the framers of the constitution of the second republic were wise to adopt an American-style constitution which separates the powers of the executive, the legislature and the judiciary.

Westminster-style parliamentary government, introduced by the British at independence in 1960, lasted a mere six years to be followed by military rule and a bloody civil war.

Nothing is certain in politics but the present constitution, by diffusing power, both at the centre and outwards to the states, at least gives greater scope for local political ambition and reduces the inevitability of political confrontation in a country where ethnic loyalty remains a potent force in politics.

Nigeria's importance is not simply its oil wealth but its population size. Its ninety-one million people make it by far Africa's largest country, most of its 19 states are as large as a medium-sized African nation.

President Shehu Shagari, who represents a link both with Nigeria's first civilian government because he first emerged as a protégé of the country's first Prime Minister, Sir Abubakar Tafawa Balewa, and with the period of military rule because he served as a commissioner in General Gowon's government, has enhanced stature after two years as his country's leader.

He has been criticized for practising "minimum government" but he has succeeded in making the new constitution, whose separated powers were alien to Nigeria's political tradition, work in a way that more impatient man would not have achieved.

Significantly, even governors of states ruled by the opposition parties express personal esteem for the federal leader, and 1981 ended with a major political

victory when the federal legislature finally passed a revenue allocation Bill, settling the way the country's massive income — mainly from oil — should be divided between the Federal Government, the states and local government authorities.

President Shagari has ruled with certain advantages. In the first place Nigerians were tired of 13 years of military rule and were predisposed to give the new civilian government a fair wind so as not to present the military with an easy excuse to reemerge from their barracks. Second, in the elections which preceded the return of the civilians his National Party of Nigeria (NPN) emerged with by far the strongest claim to real national appeal, having won a respectable number of votes in all parts of the federation.

Initially his administration had an agreement with the Nigerian Peoples Party (NPP), led by Dr Nnamdi Azikiwe, Nigeria's first president, which gave his government support in the bi-cameral federal legislature — in return for a number of appointments in the Government.

At mid-year this agreement fell apart but the effects have not been really serious since the administration has shown it can still get vital legislation passed and some of the former NPP members in the Government, notably the Foreign Minister, Professor Ishaya Adu, have remained in the Government.

More influence abroad

Internationally Nigeria, with a legitimate civilian government, inevitably carries more influence than when ruled by the military. At the Commonwealth Conference in Melbourne President Shagari was Africa's natural spokesman on Namibia.

At the international economic summit at Cancun, he chose to speak on agriculture, a key priority of his Government's domestic policy, and Africa's biggest economic disaster area: its ever decreasing ability to feed itself despite plentiful cultivable land.

Nearer to home, Nigeria has shown particular concern

with the continuing chaos in Chad, which borders the country's north-east, and where the Federal Government has now dispatched the major component of an inter-African peace force, which the Nigerians hope can restore order and prevent any further excuses for Libyan intervention.

The only other major international alarm came in May when five Nigerian soldiers were killed on the Cameroon frontier. This brought demands in both the press and the legislature for retaliation but the Government managed to get compensation from the Cameroonians without matters getting out of control.

Nigerians have returned to democracy with enthusiasm. Press freedom is exercised by the daily newspapers, most of which owe allegiance to one or other of the parties and engage in the most furious debate.

The judiciary has shown itself quite independent, acting against the executive in a number of cases, notably striking down the first revenue allocation Bill signed by the President. Grounds that legislative procedures had not been properly followed.

Relations between the executive and legislative branches have not been easy, particularly in the early days of the constitution when it took President Shagari three months to persuade the Senate to approve his nominations of ministers.

Partly the friction has been because of unfamiliarity with the working of a constitutional system with separated powers and in recent months there have been signs that the executive has become more skilful at lobbying. Certainly the legislators have shown themselves independent and voting across party lines is now common.

In economic policy the Government has placed special emphasis on agriculture with ambitious plans for a "Green Revolution" which it is hoped will restore the countryside's prosperity — and that is still where three-quarters of the people live — and lead eventually to food self-sufficiency.

But the oil industry will for the foreseeable future



A group of traditional rulers in obvious good humour leave a meeting with President Alhaji Shehu Shagari in Lagos. Although they have lost their constitutional powers, they are still consulted and continue to play an important part in Nigeria's complex political and social life.

remain the key to the country's economic health, and Nigeria's overdependence on this single product was graphically demonstrated during the year when a slump in production led to temporary fears of import controls and a massive cut-back in development plans.

In the event Nigeria has weathered this crisis and by a sensible pricing policy has been able to bring production back on target.

There are several serious constraints to economic growth, the most obvious being a lack of trained manpower at almost all levels, and infrastructural failures in sectors such as electricity supply, water and telecommunications.

Britain's stake in Nigeria's future is large. By far the largest foreign investor, the British are also the country's main supplier of goods, accounting for about 20 per cent of total imports.

Official relations, soured in 1979 by the nationalization of BP, are now again cordial following agreement on compensation and a number of positive developments.

That democratic rule has returned to Nigeria has been widely welcomed in neighbouring countries, in many

of which there are renewed stirrings for greater freedom.

This is not to say that Nigerians are universally popular in the region. Both because of the country's power and the often harsh welcome accorded to visitors — both black and white — to Lagos, the charge of arrogance is often laid at their door.

But here too there are hopeful signs. Nigerians themselves are increasingly critical of the hostile attitude often shown to visitors to Lagos, and there are signs of an improvement in the law and order situation in the capital.

There is also criticism of the pervasive nature of "dash" and corruption. In an editorial commenting on President Shagari's budget proposals in December, which included a reimposition of compulsory inspection of some categories of

imports, hitherto exempt, the pro-government newspaper, *New Nigerian*, commented baldly: "As is to be expected with Nigerians virtually every privilege of a financial nature granted to individuals or corporate bodies has been grossly abused."

Those who are impatient with President Shagari's progress in dealing with these and Nigeria's other problems are probably being unrealistic, given the huge size of the country, its diverse nature, and its tumultuous recent history.

It could be that President Shagari's restrained style is just what the country needs.

As one young Ibo businessman put it to me: "Shagari is very cool. He has a good temperament. You could have a more dynamic leader, but then everybody would get excited."

Excitement is just about the last thing that Africa's giant needs.

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FOREIGN AFFAIRS

Africa's leader and a growing force on the world stage

Nigeria emerged slowly on to the world scene but it is now vigorously striving to fulfil a role that measures up to its wealth and position as the most populous African state.

Independence came in 1960, three years after Ghana, at a time when Kwame Nkrumah was listened to as the voice of Africa, to the resentment of many Nigerians. The first Prime Minister, Alhaji Sir Abubakar Tafawa Balewa, was a cautious man who on a famous occasion replied to Nkrumah's talk of internationalism by saying: "Let us put our own houses in order."

Then in 1966 came the spasms of two military coups followed by the agony of the long civil war. This brought an unwelcome prominence in world affairs and had a lasting effect on foreign relations.

The Soviet Union gained instant popularity by supplying without hesitation support and arms. The British Government was thought to be lukewarm, though correct, and this, combined with the huge and vocal lobby that lashed out for years, America similarly lost favour. In Africa, Ivory Coast, Gabon, Zambia and Tanzania all recognized the rebel régime, which punched a hole in Nigeria's Africa policy.

General Gowon, the great reconciler after the war, also worked hard on the international scene, travelling to Moscow, Peking, Canada and the Caribbean, and accomplishing a brilliantly healing state visit to Britain in 1973. He also played a crucial role in the creation in May, 1975, of the Economic Community of West African States, which has proved the most successful grouping in Africa and remains a major factor in Nigerian foreign policy.

General Murtala Mohammed, from July, 1975, and General Olusegun Obasanjo, from February, 1976, continued to make Nigeria more of a force in the world.

The most effective example of Nigerian pressure came in Angola when Portugal was getting out after the Lisbon coup of 1974. Much of the

rest of Africa, and notably America, was backing a proposal for a coalition administration drawn from the three main contending parties. Nigeria (once General Gowon was ousted) came out in favour of recognizing the MPLA as the sole legitimate government. The rest of Africa gradually followed suit.

The Nigerian military rulers also played a part in helping to bring Zimbabwe to independence, though how great a role is a matter of controversy.

The big gesture came on the eve of the Commonwealth Heads of State conference in Lusaka in August, 1979, when Nigeria suddenly sequestered British Petroleum's assets. This was meant as a warning shot across the bow of the Conservative Party's bows. Whether this was necessary or effective is debatable: it was certainly a claim to the leadership of Africa.

Since the civilians returned to power in October, 1979, President Shagari has been pressing that claim with increasing credibility. When Dr Chester Crocker, the United States Assistant Secretary of State for Africa, was travelling around drumming up support for the new Namibia proposals, one of his most important stops was at Lagos.

The ending of apartheid in South Africa has always been a main aim of Nigeria.

President Shagari, the most gentle and diplomatic of men, found it necessary to raise at a Buckingham Palace banquet the displeasure Africans felt over the continuing British investment, trade and other links with South Africa. Similarly, in a speech to the Foreign Policy Association in New York in October last year, President Shagari said: "We in Nigeria feel that the history of your country places on the Government and people of the United States a great responsibility to use your powerful international economic and financial position to discourage and, eventually, destroy apartheid in South Africa."

"The struggle of African peoples and governments to free their continent of apartheid should not be seen in terms of ideological differences between the East and the West. To allow conflict of ideology to determine your response to the evils of apartheid would be an unfortunate misreading of the psychology of the African. Your policy towards South Africa has been largely dominated by a single-minded pursuit of economic and strategic considerations. This, in my view, can at best offer only a temporary advantage, for in the final analysis only a South Africa which accepts majority rule can truly offer a lasting guarantee to the security of your economic and strategic interests."

Relations with the rest of Africa have always formed the cornerstone of Nigeria's foreign policy, and things have not always been smooth.

Keeping peace in Chad

Chad, which has a short common frontier across Lake Chad, has long been a source of pain. Nigeria has been the centre of much peace-keeping effort. It was a Lagos agreement which promised so much two years ago; in 1979 Nigerian troops formed a peace-keeping force and were forced to withdraw in failure. Nigerian troops are now again providing the major part of an Organization of Africa Unity force, which is under a Nigerian general.

The Chad problem has illustrated Nigeria's deep distrust of Libya and (in the past) her coolness towards France and the Francophone African states. Relations with Paris are now much warmer. Professor Ishaya Adu, the Minister of Foreign Affairs, has paid most successful visits to Paris and has given the impression at times of being an ally of France against Libya.

The Western Sahara problem has also engaged much Nigerian attention, again with more frustration than success. Relations with its neighbour Cameroon deteriorated sharply early this year

when several Nigerian soldiers were killed in a border incident and President Abidjo was slow about making adequate apologies or reparations.

President Shagari was under great pressure, particularly from the military, to take retaliatory action, but he resisted this. The OAU was little help and the president in protest stayed away from the OAU summit in Nairobi.

This was a most surprising decision as Nigeria has always played a big part in all OAU activities. Many diplomats and observers in Nairobi speculated that the President must have some pressing domestic reason for staying away, but this has always been denied by the Nigerians. In the event the president's restraint paid off. Cameroon promised proper investigation, apology and reparations.

Nigeria made its displeasure known to Ghana after the Rawlings coup in 1979 and the subsequent execution of former heads of state; oil supplies were cut off, officially because of a technical fault.

Similarly, after the Master-Sergeant Doe coup in Liberia, the Nigerians signified their disapproval by refusing to allow the Master-Sergeant to land at Lagos to attend an OAU meeting.

There is much talk of "using the oil weapon", but it would be suicidal (particularly in times of an oil glut) to interfere for political reasons with a major customer like the United States.

Recent analysis published in Lagos has shown that Nigerians are well aware that having wealth and a large army does not, of itself, make one an effective power in foreign affairs: wielding a big stick can be counter-productive.

Fortunately, the country has in Professor Adu a former academic who brings great subtlety of mind to the position of Minister of Foreign Affairs and a President who is a natural diplomat and who takes a close and informed interest in foreign matters.

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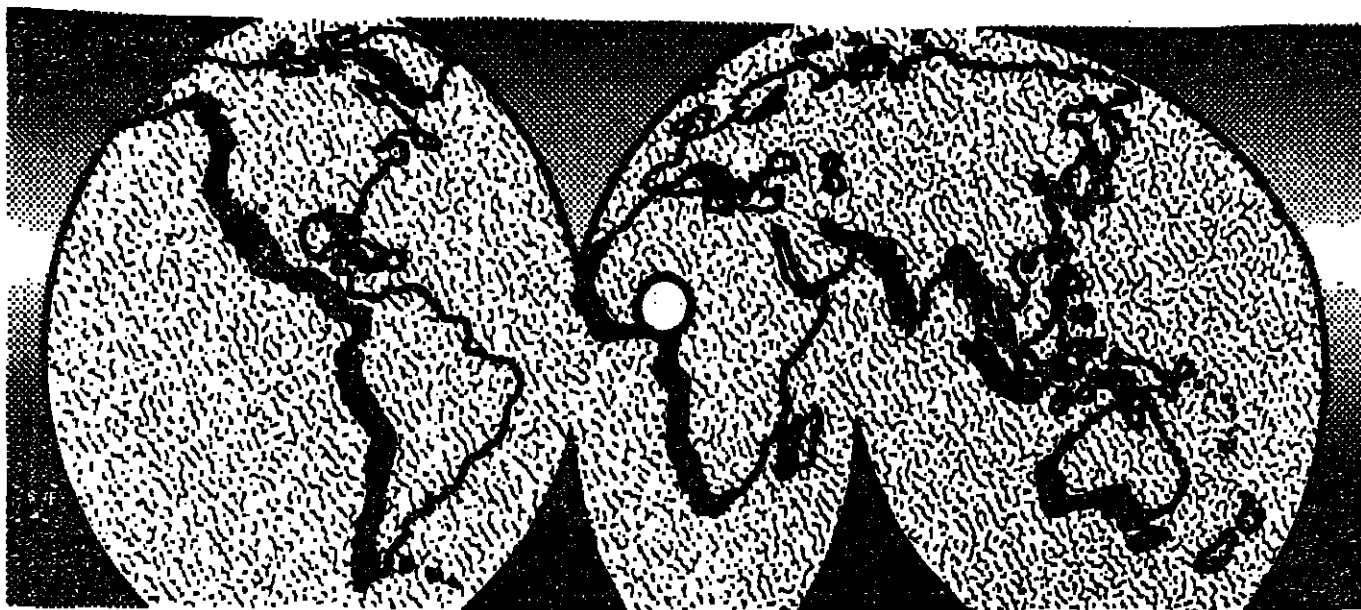
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Under the 1979 constitution the 19 state governments have wide-ranging functions. David Williams discusses their relationship to the Federal Government in Lagos and Karan Thapar explains the tribal divisions that still threaten national unity.

State versus nation



President Alhaji Shehu Shagari: enhanced stature.

Only seven of the elected Governors, the "chief executives" of Nigeria's 19 states belong to President Shehu Shagari's party, the NPN. In these seven the NPN also controls a majority in the legislatures; it also controls the legislature in an eighth state, Kaduna, although there the Governor belongs to the PRP. The remaining eleven governorships, with the state assembly majorities, are divided between the other four registered parties, all of which are, to some degree, hostile to the NPN. The UPN has five states, NPP three, GNPP two, and PRP one.

Under the 1979 civilian constitution the state governments have extensive functions. They are responsible, for example, for primary education and share responsibility with the Federal Government for other aspects of education. They are responsible for health services, agricultural extension work, and roads, except federal trunk roads.

They can sponsor scientific research. And while the Federal Government is responsible for major economic development and for direct economic relations with foreign governments or international bodies, a state government can undertake economic development of any kind, except mining, within its boundaries, make contracts with foreign firms and, under federal sponsorship, seek foreign loans or assistance. State governments are also responsible for supervision of local government within their areas, and for matters concerning chieftancy, still a potent influence in Nigeria.

The President, although Chief Executive of the Federation, has no formal control over the governors. He is, however, responsible for the Nigeria police, who constitute a single force throughout the federation, and for the maintenance of public order, although state governments are given subordinate authority in this.

He is responsible, too, for the operation of the armed forces. The President can also under most exceptional and restricted circumstances, declare, in any part of the Federation, a state of emergency under which the National Assembly could supersede a state house of assembly and the President exercise executive authority in a state. A governor is also subject to the same legal restraints under the constitution as is the President - and to public "media" criticism - in other states if not his own. One governor and

one deputy governor have already been impeached and removed, although in each case a majority of the state legislature concerned was politically hostile to the accused official.

Some see the apparent independence of the governors and the domination of a majority of state governments by parties opposed to the President as threatening partial paralysis of the federal system. Others see the diffusion of some degree of power among all five registered parties as a safeguard for democracy in a continent where total exclusion from power has often tempted parties into conspiratorial courses. And since the NPN has no automatic majority even in the National Assembly, Nigeria, in spite of the nature of some of its state regimes is far removed from the one-party system which many suppose to be typical of African countries.

The Federal Government, however, has considerably more influence over state governments than might appear. In particular all state governments depend for some 80 to 90 per cent of their revenues (including the statutory allocation to local governments) on federally-collected taxes. These allocations to state governments are guaranteed by law and the federal administration certainly not that of Alhaji Shehu Shagari, would want to obstruct payment of these, even to states politically hostile. But, at least until recently, the Federal Government has also made very substantial non-statutory grants to state governments which all normally overspend their budgets. And every state wants federal institutions and projects to be located inside its boundaries and to secure federal backing for loans.

The formula under which federally-collected revenue is divided between the federation, the states and local government is an obvious source of political discord. A new formula, giving the states a much bigger share of this revenue (45 per cent), including the allocation to local government has now been agreed by the National Assembly, although states' spokesmen were demanding more.

For many months after his installation as President, governors belonging to the UPN appeared, like the party's leader, Chief Awolowo, close runner-up in the presidential election, to be reluctant to acknowledge Alhaji Shehu Shagari's position as Head of State. One UPN governor was publicly rebuked by the President for showing lack of respect to his office. The enthusiastic reception, however, given the President by the UPN Governor and the people of Oyo state during his official visit there last year marked a change.

This was confirmed this year by the invitation to the President from the UPN Governor of Lagos state - the state in which the President's party, NPN, made its worst showing in the general election - to inaugurate work on the proposed overhead railway for which federal help is essential. The President's relations with governors belonging to hostile parties can never be easy; but by his quiet determination Alhaji Shehu Shagari appears now to have established himself as the older statesman to whom all the governors look for advice and help.

A demand for smaller states

The states provide another, quite different, problem for the President. Demand for division of the existing states into smaller ones is now a major feature in Nigerian politics, cutting across parties. If the National Assembly supports the most insistent demands and is able to satisfy the intentionally Byzantine provisions of the constitution concerning creation of states, there could be as many as 40.

The demand arises partly from the belief, strongly held by many groups, that their particular area is neglected by the Government of the state where they now find themselves, and that they are discriminated against in official employment, etc, since

another group is held to dominate the state. For politicians of all parties, however, the creation of new states has great attractions. For each, regardless of size, unless the constitution is amended - would be entitled to five seats in the Senate and to a federal ministry. Each would have a governor, commissioners (ministers), numerous state boards and representation in various federal organisations. Apart from any financial benefits, federal governments feel obliged to provide a subvention long to the administrations, each would be entitled by law to its share of federally-collected revenue allocated to states, which we have said already constitute the main source of state finance.

The constitution, with its complicated provisions about the procedure for creating new states are not entirely clear, offers no hint which the areas concerned must meet to qualify as states.

Evidently concerned that the politicians' impulse to check on the new states might proliferate, the President, who likes it or not, operates the constitution's provisions to create new states. President Shehu Shagari has invited the parties to produce a realistic programme for state creation. How many new states he has in mind is not known; but everybody agrees that a small number, perhaps five, are, if not necessary. The parties, including the NPN, however, are reluctant at this stage to commit themselves to a limit. The issue may complicate the 1983 general election. Its resolution also depends on the National Assembly's assent to the Electoral Bill now before it.

Further division of the existing states would make the Federal Government's theory, even more powerful than it is, by increasing the number of its clients. But if it meant that an increasing proportion of a national revenue which has recently declined is spent on administration, without a corresponding stimulus to productive economic activity, while the constituent units of the federation became even less competent than they are now to discharge their functions, the federation as a whole would be gravely weakened.

The author was editor of West Africa 1949-78.

Old divisions that die hard

The persisting threat to Nigerian unity is the seemingly ineradicable tribalism that underlies every political, social and often economic development. With more than 200 tribes and at least 100 different languages, with almost institutionalized distrust between its three main regional population groups, the Hausas, Ibos and Yorubas, and with irresponsible politicians only too happy to exploit ethnic divisions, the conscious need to create one nation remains the single most important priority of the new civilian government.

Though the fall of Biafra marked the end of the Nigerian Civil War 12 years ago, the issues fought then did not perish on the battlefield. The tribal distrust, the absence of political consensus, and the many social divisions have survived. These basic Nigerian divisions, stifled for nine years under the post-war military dictatorship, are now emerging through the widening cracks that have begun to scar the two-year-old democracy.

These issues were most poignantly raked up in 1981 by a controversy over remarks by Mallam Adamu Ciroma, the Minister of Industries. In a public speech, the Minister, a Northern Hausa Muslim, accused the Opposition Governor of Borno State of betraying the people's trust by employing non-cadre people in sensitive judicial and Cabinet posts. Referring to the Borno State Chief Justice, the Attorney General, the Minister called them "strangers" and "foreigners". The point is that they are Western Yorubas.

The incident grew out of all proportion. For the Yoruba-based Unity Party, it was conclusive proof of its favourite allegation of a self-perpetuating northern cabal controlling the country to the exclusion of all other tribal groups.

The Unity Party leader, Chief Obafemi Awolowo, has publicly and repeatedly accused the last military head of state, General Olusegun Obasanjo, of carefully contriving to hand over power to the largely northern-based National Party. He has even called on the Chief Justice of Nigeria to resign because he dismissed the chief's suit against the presidential election verdict. Although both General Obasanjo and Chief Justice Fatayi Williams are Yorubas, they are treated by the Unity Party as traitors

and "time-servers" of the northern elite.

For Mallam Ciroma's own national party, the provocation of a Unity Party attack was sufficient for a strong rally to its defence. He defiantly repeated his earlier criticisms, in turn accusing the Unity Party of tribal bias for only supporting Yorubas. And while the opposition called on President Shagari to dismiss Mallam Ciroma, the press hinted darkly at the possibility of another civil war.

The problem is that a Nigerian identity does not as yet fully exist. A Nigerian is first a Hausa, or an Ibo, or a Yoruba, and when the chips are down it is only tribal and ethnic securities that have stood the test.

In a very important sense, the 1979 electoral results, when after 13 years of military rule, four coups and three years of civil war, a return to civilian rule was being attempted, showed that political appeal corresponds closely with tribal affiliations and loyalty.

How the Unity Party swept into five tribal states

The three main parties, each of which won at least three of the 19 states, did best in their tribal strongholds. The Unity Party swept the five states of Yorubaland. The Ibo-based Nigerian Peoples' Party was almost unopposed in Imo and Anambra States.

The issues that have, since the election, come to be focal points of national controversy have reflected persisting tribal undertones.

Perhaps the most divisive and polarizing of these in 1981 was the revenue allocation debate. It affected the share of state funds that accrue to the federal government, the 19 state governments and more than 400 local governments. The dilemma was whether a dependent and financially weak centre is more in keeping with the spirit and concept of the Nigerian federation or whether only a strong and omnipotent federal authority can keep the union together.

Although before the year's end the issue was decided, it was not before it had been

taken in vengeful litigation right up to the Supreme Court which invalidated the first revenue Act and in the process clearly exposed the fundamental lack of national political consensus which exists like a vacuum at the heart of Nigerian politics. The various estimated 61 separate demands for new states is having a similarly divisive effect. The creation of 12 states in 1967 from the northern, western and eastern regions went a long way towards diminishing the regional solidarity that had come to threaten national unity in the tense days of the first republic (1960-66).

Historically, the seeds of trouble can be traced back to the moment in 1914 when a colony called Nigeria was created by the British. Sir Hugh Clifford, Governor of Nigeria in the 1920s, described the country as "a collection of independent native states, separated from one another... by great distances, by differences of history and tradition, and by ethnological, racial, tribal, political, social and religious barriers."

Almost inevitably, therefore, there lies at the centre of Nigerian politics today the problem of power sharing between its three main tribal groups - the very problem that led to the 1967-70 civil war.

Then the northern Muslim Hausas, who came to power at independence when a northern based and northern dominated party formed the first free government, made the Yorubas and the Ibos, the most enterprising and educated of the tribal groups, feel cheated and suspicious of a conspiracy in the northern domination of the country.

That same perception also exists today. Although as a consequence of the civil war the new federal constitution contains an unequivocal

clause demanding the "reflection of the federal character in all spheres of government activity". This policy, designed to ensure equal representation to all tribes and groups in government offices and state-owned companies, is itself a victim of its own implications. For when this means the replacement of Yorubas in Lagos offices by Hausas, hitherto considered backward and frequently relegated, it stirs new tribal fears among the Yorubas. They see their Hausa replacements as the thin edge of a northern wedge, as the beginning of political pay offs for the men around the northern president.

This same basic distrust was repeatedly manifested in the crises which characterized the first republic. While the struggle for freedom had imposed a transitory and deceptive unity on the civilian politicians, once independence was attained all the dirt swept under the carpet was raked out again.

In rapid succession there was the 1962 action group crisis in the Western Region. The disputed censuses of 1962 and 1963, the riots of 1962-1963, the rigged general elections of 1964 and the almost totally fraudulent western regional elections a year later.

From 1966 to 1979 military rule snuffed out politics and so put a tight lid on the more obvious manifestations of tribal political alignments. But, the return to civilian rule in allowing the functioning of full and free politics has also reopened the old Pandora's box of ethnic rivalries.

The irony is that whereas the strict impartiality of military dictatorship held the country united under its grip, the democratic tolerance and lenience of civilian rule could threaten the very fabric of nationhood.

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Nigeria's economy, which only six months ago looked in trouble, is now in good health and set to resume the steady growth which has made it the envy of the rest of Africa over the past decade

Oil prosperity has its drawbacks

Nigeria's main economic problem is that, like so many developing countries, its economic prospects depend on just one crop or commodity, in Nigeria's case: oil. This single product provides more than 90 per cent of foreign exchange earnings and more than 80 per cent of government revenue, so the slightest hiccup in the volatile world oil market affects almost all sectors of economic activity in the country. Last August oil production had fallen to 708,000 barrels a day or about one third of the 2,100,000 b/d achieved in January. This dramatic collapse in production was forced on the Nigerians because they maintained their high selling price in the face of a flat world market and determined high production rates by Saudi Arabia. Now with orders restored in Opec ranks a price cut by the Nigerians, production is rapidly recovering and oil industry sources are predicting a return to production of over 2 million b/d early in 1982. This should mean that there need be no serious cut-back in the very ambitious development plans which are overwhelmingly dependent on oil revenues. Because of recent oil production slump foreign exchange reserves, which stood at 5,600m naira at the end of 1980 had fallen to 4,500m naira at the end of September but the country's external finances are quite sound, with the foreign debt service ratio at a mere 5 per cent or so. Presenting his 1982 budget proposals in December, President Shagari announced a number of measures to conserve foreign exchange: a reduction in personal and business foreign travel allowances and a reduction in allowable offshore costs for consultancy services from the present 30 per cent to 20 per cent of domestic finance. Next year's budget is a prudent, even conservative document since it appears to be based on the assumption of oil production running at 1,300,000 b/d at the current price of \$36.50. Production has already risen well beyond this figure

so the federal Government should have no funding problems in 1982. More worrying for the Government is the apparently unstoppable rise in the level of imports. In 1979 these ran at a monthly average level of 722m naira; and in 1981 this had risen to a monthly average of 1,200m naira. Partly this results from the ordinary Nigerian's increased spending power and this in turn partly stems from the civilian government's more conciliatory—some manufacturers would say weaker—attitude to wage demands. In the last two years the minimum wage has risen from 70 naira to 125 naira per month. The import bill is further inflated and government revenue reduced by smuggling which is believed to take place on a huge scale. The Government recently announced a major shake-up in the customs service and the formation of a special crack unit to deal with the problem.

Smuggling not only deprives the Government of revenue but costs jobs. In comparative terms Nigeria now has a high-cost economy and much of the manufacturing sector can only survive behind enforced tariff walls. This has been illustrated recently by failures and layoffs in the textile industry caused by the ready availability of cheap smuggled imports. The overall thrust of President Shagari's economic policy is to diversify away from oil into manufacturing (including steel) and agriculture, the latter being a main personal concern of the President, who spoke on the subject at the international economic summit at Cancun. The combined effects of the oil boom and the Sahel drought virtually killed off much of Nigeria's traditional cash export industry such as groundnuts in the north but even today about three of every four Nigerians live by the land. In the period of the fourth

development plan (1981-1985) investment of \$8,000m is planned in the country's green revolution, the goal being food self-sufficiency by 1985, an unattainable target since this would require an annual 8 per cent increase in production and the plan only aims at 4 per cent, which most observers believe is itself ambitious. The federal Government's will to revolutionize Nigerian agriculture is certainly there, not only in terms of investment targets, but in measures such as allowing foreign ownership of up to 60 per cent of equity in virtually all agricultural production and processing enterprises. But the main avoidable constraint in agriculture, as in all economic sectors, is a shortage of trained manpower. At the very top of federal ministries and private enterprises alike are to be found a handful of Nigerian managers of the very highest quality, but below them there is a gaping void at the middle-management level. Another constraint which is preventing the country benefiting more rapidly from its oil riches is the failure of parts of the economy infrastructure. Unreliable water supplies, frequent power cuts, and poor telecommunications all hinder economic development as does the habit of ignoring essential maintenance until plant actually breaks down. Britain's stake in Nigeria's continued economic progress remains important national export market, making it the most important buyer of British goods outside Western Europe and the United States. In 1980 British exports were worth about £1,200m and could top £1.5m in 1981, though up-to-date statistics are not available because of the strike by British civil servants in early 1981. Strikes are now also an increasing feature of Nigerian economic life. The Central Bank says 870,000 man/days were lost in 1978, two million in 1979, and 2,350,000 in 1980. Nigeria's oil wealth has had all sorts of unexpected results. Not only have some Nigerians become million-

aires overnight, some of them via dubious deals and access to import licences, but the buying habits of ordinary Nigerians have also changed. Ten years ago rice was a luxury item eaten perhaps at Christmas, while today it almost has the status of a staple. A similar story can be told of bread. In 1977 Nigeria imported 700,000 tonnes of wheat. In 1981 the figure was probably about 1,100,000 tonnes and this is expected to rise to two million tonnes by 1985 — a threefold rise in eight years. It is statistics such as these — rather than the dramatic stories about Nigeria's millionaires — which point to the real change in the country's economy, and to the necessity for President Shagari's green revolution to succeed.

Godfrey Morrison



A tin miner at Jos, a hill station where British expatriates play polo.

STEEL

Going full blast

At a time when most of the world's steel industry is deep in recession and contraction, the Nigerian steel industry is on the point of taking off into a huge and (it is hoped) prosperous expansion. Last month President Shagari commissioned Africa's largest and most advanced steel plant at Aladja, near Warri, in Bendel State. And last June he laid the foundation stone of the even bigger Ajaokuta steel plant in Kwara State, which will come into production in the late 1980s. Aladja uses the direct reduction method. Ajaokuta is based on the blast furnace process of iron making. There are also rolling mills at Oshogbo, Jos and Katsina. The birth of the Nigerian steel industry has followed a long labour, as it were. As long ago as 1958 feasibility studies and market surveys were being carried out. There has also been an element of competition between the West and the Soviet bloc. The Nigerians might prefer to say that the birth of the industry is an example of international cooperation. It is certainly a demonstration of Nigeria's non-alignment.

A Soviet team of experts first came to Nigeria in 1967. After much investigation and debate a decision was taken in 1975 that the blast furnace plant should be set up at Ajaokuta to use iron ore from Itakpe Hills (about 64km away) and a mixture of local and imported coals. This involves a huge investment, about N2,500m in the first stage of the complex alone. This will result in a production capacity of 1,300,000 tons of steel a year, increasing to 2,600,000 tons in the second stage and 5,200,000 tons in the third stage. At first only "long products" like bars, rods and beams, mostly for the building industry will be produced. But in the later stages "flat products" like plates and sheets will be produced. The total completion time for the project is six and a half years, but the first rolling mills should produce steel by June, 1983. The Aladja project began later, although it is in production first. It is also smaller, having a peak production of 2,500,000 tons a year, with one million tons in its first phase. It was in some ways a

response to the Russian initiative. Some conservative Nigerians were concerned that so central a part of their economy should be dominated by the Soviet Union, and there was also concern in some Western quarters. The Aladja contract was only signed in 1977, and the pace of construction has been remarkable. The consortium of companies involved are mostly German and Austrian, but there were also Indian, American and Swiss interests involved. The international content of the Nigerian steel industry goes further. The Japanese are deeply involved in the construction of the Katsina mill; French companies dominate the civil engineering construction around Ajaokuta (although Wimpey is building a N30m training centre); and Israeli interests are also involved. The Aladja complex will use ore imported from Liberia and Brazil. The disadvantage of the direct reduction method, and the main reason a blast furnace is being built at Ajaokuta, is that it demands a higher grade of iron ore than is at present available in Nigeria.

This means that the savings on foreign exchange are less. However, teams of geologists are hopeful that sources of higher grade ore can be developed. The slump in the world steel market does not worry the Nigerians at all. The demand for steel within Nigeria itself is so great — nine million tons a year by 1990, according to one estimate — that even if Ajaokuta, Aladja and the three rolling mills at Oshogbo, Jos and Katsina are going full blast there will still be a need to import steel. There are plans for a third main plant to be built some time in the future. It was originally scheduled for Port Harcourt, but rumour now suggests that it may be built at Onitsha or Asaba. The recent drop in income from oil has placed a strain on the Government capital expenditure programme, but President Shagari and his Government have shown that they attach the greatest importance to the successful development of a Nigerian steel industry.

Kenneth Mackenzie



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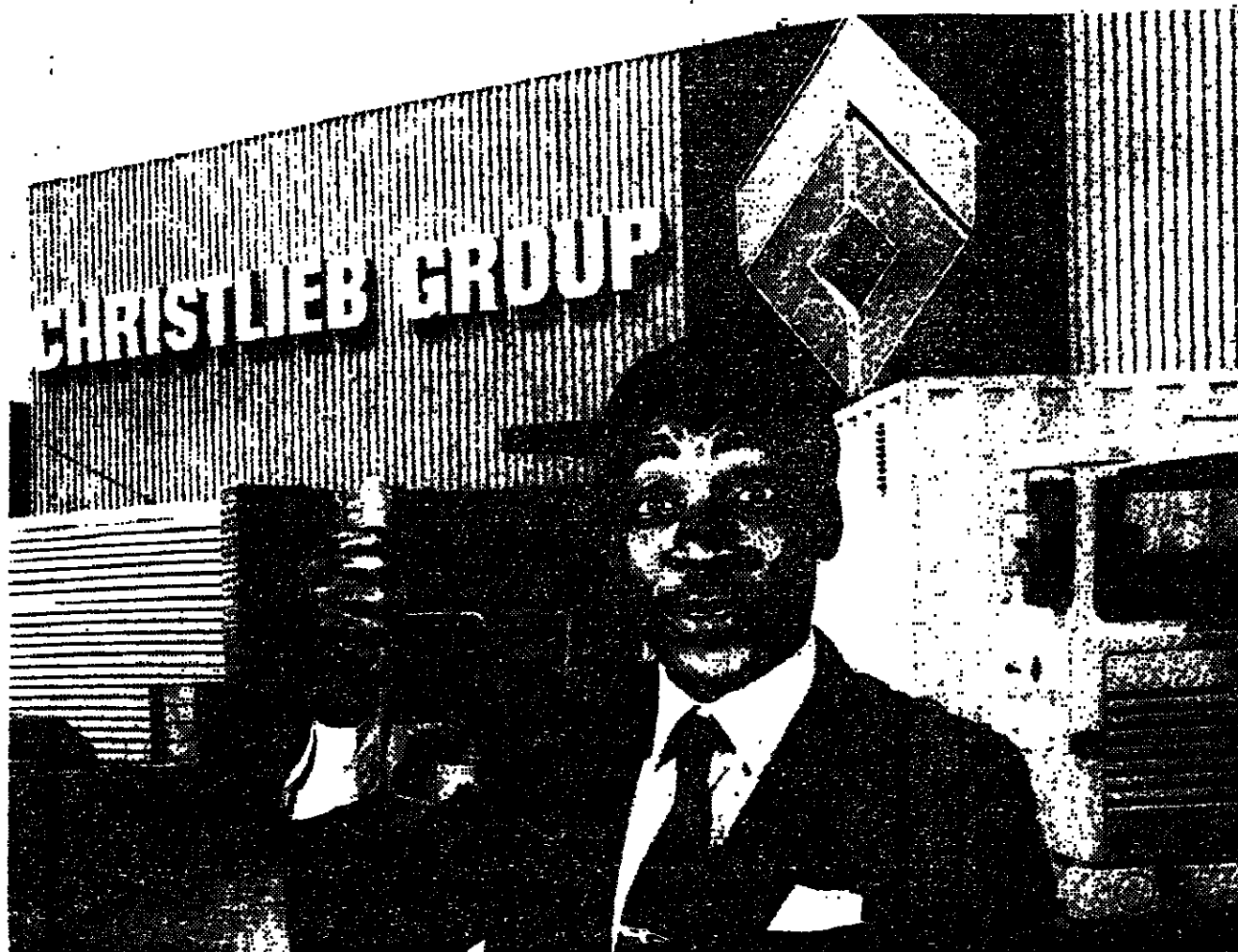
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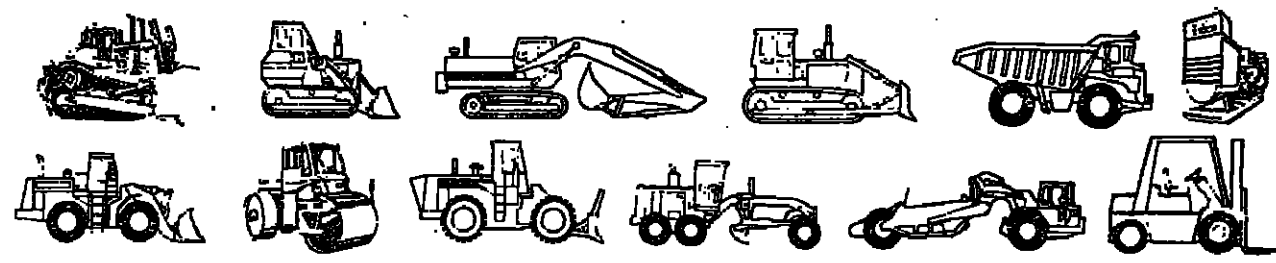
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Godfrey Morrison looks at the problems of coping with a population approaching 100 million and Henry Stanhope at the strategic imbalance left over from the civil war.

Money can't buy everything

Asked how many people there were in Nigeria the European diplomat thought for a moment and then said: "a lot." This reply though at first sight unhelpful, is fair and accurate, because nobody knows what the total population now stands at. The results of successive censuses since independence have been rejected and have been the cause of major political controversy because of their implications for the ethnic balance, and therefore the political power balance, of the country.

Estimates now range anywhere between 80 and 100 million, making Nigeria by far the most populous country in Africa, and it means that more than one in every four black Africans is a Nigerian.

Population growth is estimated at somewhere between 2½ and 3 per cent per year. That Nigeria's economic planners face a daunting task, whether in the provision of health facilities, education or job opportunities, is underlined by the estimate that roughly half Nigeria's population is under the age of 15.

Nigeria's plans for the future are heavily biased towards economic growth rather than the provision of social services. Thus, though life expectancy is only 49 and the country has fewer than 60,000 hospital beds, health services will get only 3 per cent of total expenditure under the 1981-85 development plan.

More will be spent on education, the states being responsible for primary education and federal spending going mainly on higher education. Increasingly the emphasis is on vocational and technical training since Nigeria's main economic constraint is a lack of trained manpower at almost all levels.

Unlike in many African states where a chronic shortage of financial resources holds up development, in Nigeria the problem is often to spend the money available.

Universal primary education was officially introduced five years ago when enrolment rose to more than 3,500,000 at the start of the decade. By 1980 about 13 million children were attending primary school and inevitably this enormous surge in attendance has led to problems. A high proportion of teachers are believed to be under-qualified and the standards of teaching are extremely low, particularly in parts of the North, which historically has always been less endowed with educational facilities. A Canadian educationist told me he had visited a primary school whose headmaster was barely able to speak English, even though this was theoretically the language of instruction of his school.

Theoretically all primary education is free, though in some states financial difficulties have led to teachers not being paid, and in some cases fees being charged.

Though three-quarters of Nigeria's people still live in the countryside the drift to the urban areas has been very rapid, making Lagos and Ibadan probably the largest cities in Africa. As a result of natural increase and urban drift, Lateef Jakande, Governor of Lagos State, has estimated that Lagos is growing by 35 people an hour.

Despite massive investment on roads and other public services, services such as electricity and water simply cannot cope with this sort of growth, so power and water cuts are an everyday feature of life in the nation's capital.

Most businesses and many private homes are equipped with their own generators but the problems of life in Lagos make Nigerians and the foreign community alike look forward to the birth of the brand new capital being built at Abuja.

Just as Nigeria's towns act as a magnet for the country's

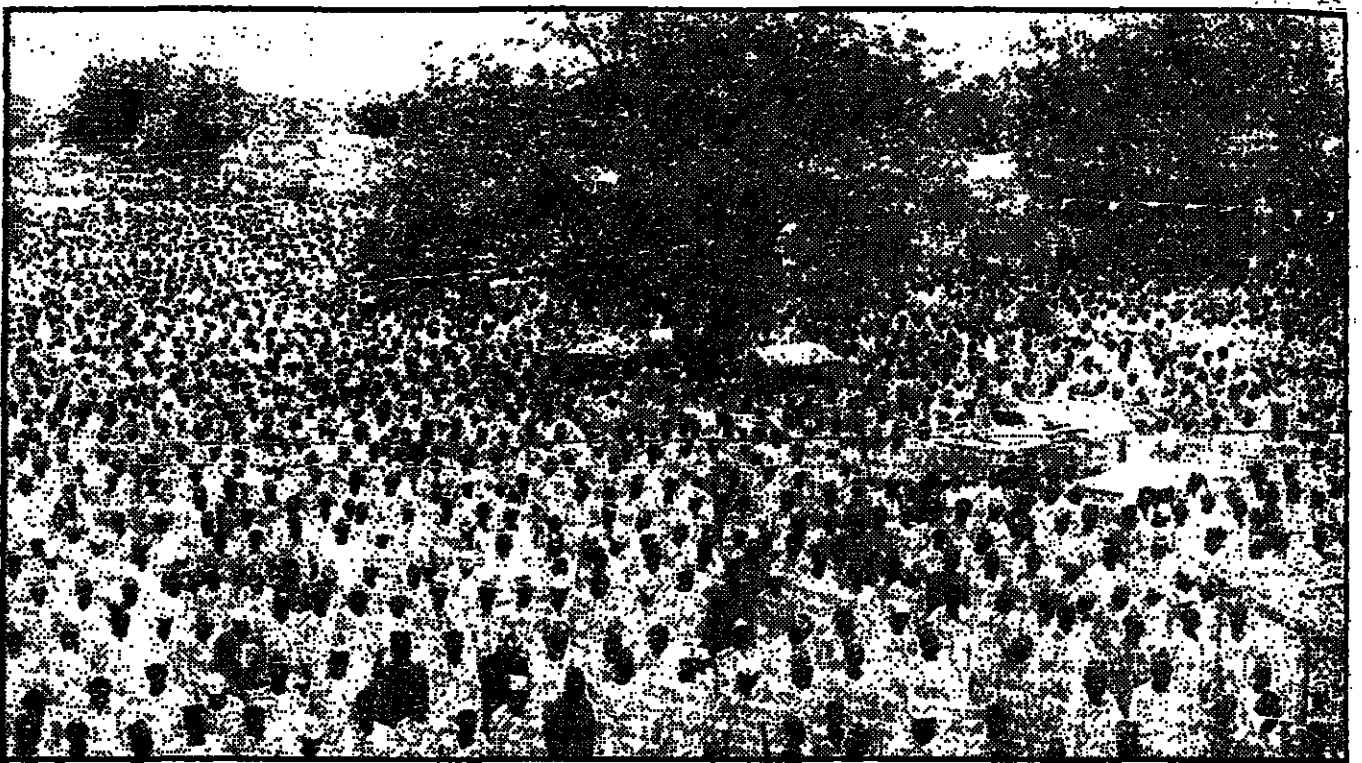
population, so do the rural population. Nigeria's wealth for most of the past century has been derived from the export of West African raw materials.

Eventually the Economic Community of West African States (ECOWAS), of which Nigeria is a member, will officially guarantee free movement of people throughout West Africa, but even now there is much emigration to Nigeria, much of it unauthorized.

No figures are available but many thousands of Nigerians, Togolese and Beninois have drifted to the Lagos area. In northern Nigeria people wander to and fro across frontiers with even greater abandon, and it is possible to meet Nigerians who say that they do not know whether, for example, they are Nigerians or citizens of neighbouring Niger. Where they live depends on the time of year.

The troubles in Chad have led to a major influx of refugees to north-eastern Nigeria around Maiduguri, some reports putting the figure as high as 100,000.

Not that the traffic is one way. There are many Nigerians in neighbouring countries — a particularly interesting example being the large Nigerian community in Sudan, most of whom are former colonial pilgrims to Mecca who never made it all the way home.



While population is a problem, nobody is sure about numbers

Still recovering from war

The Nigerian Government has been trying to replace quantity with quality in its armed forces, thus redressing an imbalance which was created by the civil war.

The legacy of the war was an army of more than 230,000, the largest in Africa after Egypt, which suffered nonetheless from a shortage of first-class officers and NCOs and adequate accommodation.

To those problems have been added a mounting worry over equipment as weapons and support vehicles bought during the war have rusted away through lack of spares and maintenance.

Five years after the war ended the Government was still having to pay out nine-tenths of the defence budget in the form of wages to soldiers — who in the absence of anything better to do, needed to be kept quiet.

The army acted as a kind of social service, employing more men than the country needed or could pay for, simply to keep them off the streets.

The weaknesses had started to appear before the war. Until independence in 1960, and for some years after, the forces were British-led and promotion was awarded on merit, with the brightest and best young Nigerian officers attending cadet and staff courses in Britain and other First World Commonwealth countries.

General Gowon and Colonel Ojukwu who led the opposing armies during the civil war had both been to Britain, the

former to Sandhurst, the latter to the other officer cadet school at Mons, Aldershot.

Africanization was completed however by tribal and regional squabbles, so that the over-rapid expansion to wartime strength in 1967 was made still more difficult than it might have been. As a result the army failed to distinguish itself in the war — except by its inefficiency and lack of central authority.

The preservation of unity and internal security in general remains the forces' most important role today. As unity within its own ranks has not been among the army's more impressive characteristics in recent years and as a shortage of cash has made it difficult for the federal Government to do very much about this, the need for a systematic overhaul of the forces was increasingly obvious during the second half of the 1970s.

The rationalization process is already well on the way to completion. The army's manpower is down to 140,000 — about the same size as the British Army — and is expected to go down to 120,000 in due course. And there are only 156,000 in the armed forces altogether, the navy totalling 6,000 and the air force 10,000 according to the International Institute for Strategic Studies in the latest issue of *The Military Balance*.

There are four infantry divisions in the army, and a number of separate brigades. The divisions are the first

which is based on Kaduna, the second at Ibadan, the third at Jos and the fourth at Lagos. The brigades are centred on other major towns in the country while a defence academy at Kaduna trains officer cadets on courses which for regular recruits can now last for more than two years.

A staff college also opened near by in the mid-1970s. Seconded British officers and NCOs as well as Indians and other Commonwealth soldiers help in the training.

There are also arms schools to teach specialist skills, so Nigeria now has the machinery to train an efficient fighting force, if the Government can succeed in making it work properly.

Recruiting is voluntary for all arms, and causes no special problems in a country where military service is looked upon as a privilege to be coveted. Far greater are the problems posed by tribal rivalries and by civilian resentment of the military elite.

Equipment though is mixed and in short supply. Because a number of western countries were reluctant to be seen to be fuelling the civil war by providing equipment for the expanded army, the Nigerians turned to the Soviet Union, with the result that their only battle tanks are 65 T-55s. Then there are 50 British Scorpion light tanks and a blend, or confusion, of British and French armoured cars and troop carriers.

The international flavour persists too in the air force,

although as there are only 18 serviceable combat aircraft the mix is less apparent. There are only three frontline squadrons of fighter-ground attack planes for instance, one with Mig-17s and two with Mig-21s. Transport, trainers and helicopters are British, American and French, and equipment on order according to *The Military Balance* includes 12 of the Anglo-French Alpha-Jets in a combat, as opposed to training, role.

A German-built frigate and four British Vosper Thornycroft Corvettes are the largest vessels in the tiny Nigerian navy, supported by a minifleet of fast patrol craft and other coastal craft.

Awareness of the difficulties created by such a dated, heterogeneous mix led the Government last year to announce that more than £5,000m would be spent on replenishing the empty-handed troops.

Britain's share of this potential market was at various times reported to be worth more than £500m — although Whitehall has also been described this as an exaggeration. Towards the end of last year it was announced that the Nigerians were buying more than £50m-worth of Vickers main battle tanks and supporting equipment, and a further £17m-worth of Lynx helicopters — with Nigerian crews being trained by Westland in this country.

But the Lagos Government which is in effect pursuing about a tenth of its national budget into defence, also wants to build up its own arms industry by including licensing and co-production agreements in its armaments deals.

Participants in United Nations and other peacekeeping missions had provided the armed forces with the opportunity for foreign training and experience. It had also given the troops a sense of purpose, to become a major force in Africa before the end of this century. But it will certainly need western help along the way. That help will be forthcoming if the Lagos Government can continue to prove that it is leaning in the right direction.

The author is Defence Correspondent of *The Times*.



Westland/Aerospatiale Lynx — more British and French equipment is on order

NATURAL GAS

Blowing hot and cold over a potential asset

Where there is oil there is natural gas. This should be an additional asset but in Nigeria 96 per cent of the gas output of its oilfields is flared (as opposed to about 58 per cent in the Middle East oilfields). Travelling through Rivers State, for instance, one sees orange flames above wellheads lighting up the night sky. They are picturesque, but obviously a gross waste of a valuable source of energy.

This is something that has worried the Nigerians for some time. In the early 1970s the military government passed a decree which banned the flaring of gas after 1984. The trouble is that to convert the gas into a saleable asset is a difficult and expensive operation.

However, the oil companies and the Nigerian officials got together and in 1978 Bonny LNG was formed. LNG stands for liquefied natural gas and Bonny is the name of the town in Rivers State where a plant was to be set up to convert the gas into liquid form so that it could be shipped to buyers in America and Europe. This called for an investment of about \$15,000m one of the biggest projects of its kind in the world.

Things were going well. A consortium of buyers had been lined up. Some \$82m had been spent on planning and preparation, and

although there was nothing to be seen at Bonny but a muddy building site, experts had hopes that deliveries of the liquefied natural gas might begin in 1986.

However things have now struck a snag. The Nigerian Government seems hesitant about investing the sort of money that is needed — about 1,600 million naira over the next five years.

In presenting an outline of his Government's Fourth Development Plan to the National Assembly in January, 1981, President Shagari said that the project was "rather too big to be implemented alongside the other major projects to be implemented during the Fourth Plan period."

The President added: "The Government, however, remains committed to the implementation of the project and will vigorously pursue its execution in cooperation with the private sector and financing institutions."

The proposal was to put the starting date for work on the project back to 1984, and in the meantime to invest only \$300m to keep things ticking over.

The oil company experts found it difficult to believe that the Government really meant this and they gained some reassurances from senior men in the Nigerian

Government. However, these proved illusory.

Phillips has now withdrawn from Bonny LNG. Its share was only 7½ per cent, but the serious thing is that Phillips had provided the management of Bonny LNG on secondment. The company has since 1968 operated successfully a similar plant in Alaska. Its withdrawal must throw the whole project into doubt.

The original composition of the Bonny LNG shareholders was: the Nigerian National Petroleum Corporation 60 per cent; Shell and BP 10 per cent each; Phillips and Agip 7½ per cent each; and Elf 5 per cent. Agip and Elf are now expected to take over the Phillips share.

The proposal is that the gas be conveyed by pipeline (owned by the Nigerian Government) from the oil fields to the Bonny plant. There it would be cooled to 140°C, when it is liquid, and stored. Specially-built tankers which can hold 135,000 cubic meters of liquid each will take the liquefied gas from Bonny to the customers. Half the gas would go to a consortium of four United States gas companies. The rest would be delivered to specially-adapted terminals in Italy, Spain, France, Belgium, Holland and Germany and be bought by eight European companies.

The advantage to the purchaser of liquefied gas is that it can be stored relatively easily and fed into their supply systems at time of peak demand — in winter, for instance. Delicate timing is needed if the project is to be successful. Continuous production must be maintained, with a tanker ready to come in at the previous tanker leaves.

Stable relationships with customers are essential. Twenty-year contracts were being negotiated and were, in fact, ready to be signed in December, 1980. Arrangements had been made for ceremonies and celebrations in Lagos. At the last moment it was discovered that the directors of the Nigerian National Petroleum Corporation had all been suspended because of an inquiry into an alleged book-keeping fault. The ceremonies had to be cancelled.

The benefits to Nigeria of a liquefied natural gas scheme would be huge. There would be profit from the government share in Bonny LNG; profit from transporting the gas by pipeline; tax from the oil companies' profits; and fairly cheap gas available for local consumers.

Most important, it would mean that a national asset was no longer wasted.

Kenneth Mackenzie

OIL

The sweet life with Bonny Light

There are two things that the United States and western European buyers like about Nigeria's oil. Firstly "Bonny Light", as it is known, is a very sweet oil with sulphur content of less than 0.3 per cent. The other thing they like is that Nigeria is not in the Middle East, with all its attendant political uncertainties.

The Nigerians obviously appreciate their oil because it is providing them with the revenues which they hope will transform Africa's most populous country into a modern industrial state.

But their dependence on oil for such a high proportion of export earnings (more than 90 per cent) and government revenues (over 80 per cent) has its disadvantages and this was painfully demonstrated over the past year.

In January 1981 production averaged 2,100,000 barrels per day (B/D) and was being sold at a price of \$40 per barrel. But Opec was in disarray and the international oil market turned soft partly because of continuing recession in Western economies damping down on demand, and partly because Saudi Arabia stubbornly maintained a high production rate in the face of this situation.

By March production fell to 1,880,000 b/d and by June it had slumped to 1,350,000 b/d and finally in August it reached a mere 708,000 b/d.

As a result there was much alarmist talk of an impending balance of payments crisis, of the need for emergency import controls and for a need drastically to prune spending on the development plan.

With the benefit of hindsight it is possible to argue that the Nigerians, by sticking grimly to their \$40 per barrel price for so long in the face of an increasingly soft international market, succeeded only in harming themselves economically.

But things might have turned out differently, the volatile market might have stabilized or the Saudis might have relented and reduced their production.

In any event the Nigerians in August lowered their price to \$36 per barrel and in October they changed their credit terms from 30 to 120 days but said that if payment

was made in 30 days buyers could have a discount of \$1.50 — in effect lowering their price to \$34.50. Sales immediately picked up.

In October Opec finally unified their prices with the Saudis going up to \$34, and the Nigerians going to \$36.50, while the other main African producers, Libya and Algeria, went slightly higher.

By September Nigerian production was back over the one million b/d mark; by November it had reached 1,590,000 b/d and it is expected to top the two million b/d rate early in 1982.

Thus the Nigerians weathered the storm in good order. Development projects were not cut back, panic import restrictions were not introduced and by December President Shagari could introduce his 1982 budget with a degree of confidence about the future.

The conventional wisdom among people in the oil industry appears to be that the world market will remain fairly soft throughout 1982 but should firm up in the following year.

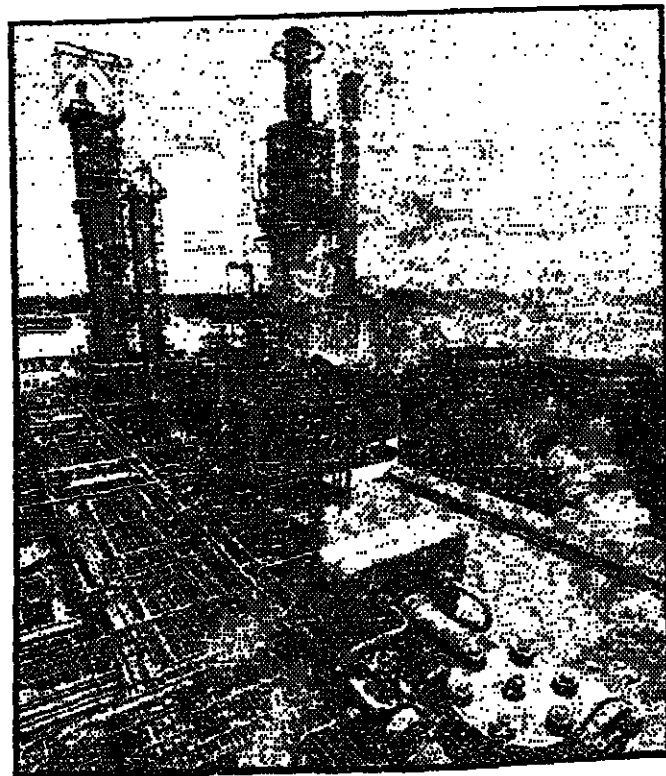
The important thing is that even with oil being sold at \$36.50, Nigeria's domestic revenue account should be in comfortable surplus and its external account in no danger.

As to the longer term, Nigeria's oil reserves are impressive with proved reserves of over 16,700,000 barrels, suggesting a capability of between two and two and a half million b/d production well into the 1990s.

In fact reserves are still being proved at a rate higher than production is depleting them. Exploration activity is intense in the delta area and in various other parts of Nigeria, and barring some catastrophe, finance for further development should not dry up, given Nigeria's attraction as a non-Middle East source.

This consideration is well illustrated by the intense activity of the oil companies all along the West African coast, notably the Ivory Coast and in Cameroon. In the longer term Nigeria also possesses immense gas reserves which are estimated to total 75 trillion cubic feet, which one day could constitute an important export.

Godfrey Morrison



Exports are based 90 per cent on oil

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President Shagari's commitment to agriculture is as vital as the role of the small farmer like the one below watering a crop of sweet peppers in the north.

Far left: some of the country's 12m cattle.

Left: Alhaji Ibrahim Gusau, Minister of Agriculture.

Facing page: checking the corn crop at the Gusau Demonstration Farm in the north west — part of a massive project involving 68,000 families financed with the aid of a \$19m loan from the World Bank. Agriculture's share of gdp has fallen from 60 per cent at independence to 21 per cent today, but a seven-year target has been set for the revival of cash crops.



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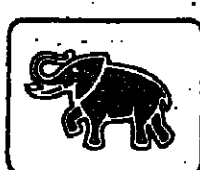


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Expert Banking By The Leader

Agriculture is at last being given the priority it deserves and by 1985 the Government hopes to return to self-sufficiency in food. Guy Arnold analyses its role in national planning and, on the facing page, Alan Rake traces the background to the decline in farm exports

The need for a green revolution

Three quarters of Nigeria's population, which is now increasing at 2.5 per cent a year, are dependent upon agriculture and live in the rural areas. Oil and the attractions of industrialisation over the past decade have led to massive neglect of agriculture so that today Nigeria has ceased either to feed itself or to export food commodities on any scale as once she did.

Food now accounts for about 15 per cent of imports at an annual cost of 1,000m naira. Hopefully, however, this trend is about to be reversed. Thus, while during the 1970s an average of only 6% per cent of federal spending went on agriculture this increased to 11.3 per cent for 1980 and 12.7 per cent for 1981. The rural-agricultural sector at last appears to be receiving the money and attention it so urgently deserves.

The 1980 ILO Report for Nigeria, *First Things First* — said: "One of the surest routes to sound economic growth in Nigeria would be improved health, through improved nutrition, water supplies etc". These things go to the heart of any rural-agricultural programme.

Basically, Nigerian farmers need to learn better methods of food production. The report stressed that the sector required more federal spending, land reform and general priority attention. The present Government, it would appear, is giving such priority to agriculture: it is not before time.

President Shagari has made plain his commitment to agriculture. When he introduced the Fourth Plan he said the emphasis should be on "direct assistance to small farmers in the form of extension services, improved seeds, fertilisers, credits, tractors and implements, grain stores and land clearance".

The plan targets include: encouraging private business to undertake large scale farming; co-operatives; subsidised fertiliser; an increase in the number of available extension workers. This, indeed, may be the most important (and also hardest) to achieve. At present Nigeria has about one extension worker to 2,500 farmers (in Kenya the figure is one to 250 and the ideal is one to 50); the target is one to 800. It represents a massive reduction to achieve.

Under the Fourth Plan (covering 1981-1985) about 13 per cent of total resources will go to the rural sector so that it does appear that agriculture is at last receiving the attention it requires. Much has already been said about Nigeria's green revolution although as yet it is too early to say whether it will achieve its targets. The basic strategy is to eliminate restraints and improve the rural infrastructure. By 1985 it is hoped again to make Nigeria self-sufficient in food and in seven years to have returned the country to the position of being a major food exporter as it was at independence.

Special emphasis is being given to irrigated agricultural projects as well as rural water supplies; the problem of post-harvest losses through bad storage is being tackled while a target has been set to raise the present ratio of 15 grammes meat

intake per caput per day to 35gms. In fact everything — services, infrastructure, commodities for export, cattle, the fishing industry and forestry — require fresh approaches.

Nigeria is able to call upon a number of external development resources. Under its Lomé II programme, for example, Nigeria has signed 35 per cent of available EEC funds to rural development. In London this December the Nigerian British Chamber of Commerce held a conference to examine ways in which British suppliers can best help Nigerian agriculture.

Big projects — for example under the auspices of the country's River Basin Authorities — are part of Nigeria's answer to its agricultural development projects (ADPs) — seven states now have ADPs and more are planned — which are designed to provide comprehensive development for an area — both services and infrastructure.

During the 1970s export commodities either declined (palm kernels and rubber), ceased altogether (groundnuts) or remained static. Nigeria used to supply much of the world's groundnut oil for human consumption; the civil war, drought and neglect ended this situation so that today it imports 200,000 tonnes of groundnut oil a year. Under the plan it is hoped to restore Nigeria to self-sufficiency in groundnut production.

There is a programme to rehabilitate the old palm groves, while investment should increase palm oil production by 125,000 tonnes a year. Nigeria, however, has a long way to go before food commodity production is restored to its former importance: the target is to make Nigeria a major commodity exporter again by the late 1980s.

The key to agriculture in Nigeria — as indeed in most of Africa — is the small farmer and too often he is overlooked. Modern techniques, machinery, inputs of fertilizer and so on all have their part to play but small farmers account for 90 per cent of all production and if they are neglected — inadequately serviced or not provided with sufficiently attractive incentives to produce — then no programme of rural and agricultural rehabilitation will succeed.

The problems are not new: banks are reluctant to commit resources to finance rural development; the drift to the towns continues and the same area of land is called upon to produce more food to feed the urban areas; rural infrastructure remains grossly inadequate and always there remains the question: how to make life in the rural areas more attractive.

Unless the green revolution produces some startling results — and soon then on present trends Nigeria may be importing twice as much in 1985 as it does at present. The basic problem which only a highly successful agricultural programme will enable the country to overcome lies in the fact that while demand for food is increasing by 3.5 per cent a year food production at present is only increasing by 1 per cent a year.

NIGERIA



Cash crops could be the answer

At independence in 1960, Nigeria produced only a trickle of oil. It formed 2.6 per cent of export earnings compared with more than 90 per cent which came from a wide range of tropical crops and timber. Nigeria was the leading producer in Africa of groundnuts, groundnut oil and cake and of palm kernels and palm oil.

In 1970, after the Nigerian civil war, crude oil accounted for only 40 per cent of export earnings while agricultural cash crops held a greater share. But in the decade that has followed, agricultural exports, with the exception of cocoa, a little rubber and a few specialised crops, have dried up.

The production of groundnuts was once more than a million tons. Great pyramids of groundnuts sacks were the hallmark of northern cities like Kano at the end of the harvest season and the lorries and trains rolled endlessly to the ports. An optimistic World Bank team which visited the country in 1971 projected production of 1,400,000 tons by 1980 and 2,100,000 tons by 1984. Instead, exports stopped altogether in 1975 and there has been insufficient production even to feed the local crushing mills.

The World Bank team suggested that palm kernel production would reach 425,000 tons by 1980, but production reached a peak in 1976 and then collapsed to today's level of about 50,000 tons. Massive investment in new crushing mills in the mid-1970s went to waste as the supply of palm kernels, even for local processing, began to dry up. Instead the Nigerian consumer both in the country and the rapidly-

growing towns began to use more oil for his own cooking requirements. Today Nigeria is a huge importer of palm oil. Alhaji Ibrahim Gusau the Minister of Agriculture, said lately that vegetable oil imports cost the Federal Government about 125m naira annually. Nigeria whose name was once synonymous with the nineteenth century palm oil trade, is next year, expected to import 25,000 tonnes of palm oil.

The production of rubber, which was badly affected by the neglect and devastation of plantations during the war, recovered to peak exports of 61,000 tons in 1974. Since then exports have remorselessly declined year by year to some 30,000 tons.

In cocoa, Nigeria was the second largest exporter after Ghana and cocoa production was traditionally the second most important export. In 1965 production reached a peak at 310,000 tonnes, a little less than a quarter of total world production. Today, the average crop is between 150,000 and 170,000 tonnes and Nigeria has already fallen behind the Ivory Coast and Brazil as a producer.

The Commodity Board purchases in 1980 were 23 per cent lower for cocoa, palm kernels and rubber in 1980 than in 1979. And loans to farmers under the agricultural credit guarantee scheme were also considerably down over the same period.

One explanation for the decline in Nigeria's agricultural exports is that farmers have been switching from export crops to food crops to feed the rapidly growing population, particularly in the towns. But there is scant

evidence that this switch had been going on except in particular areas. The Minister of Agriculture said that Nigerian food imports had passed the N1,000m mark in a speech he made on World Food Day. He blamed Nigeria's inability to feed itself on lopsided planning in the past and grossly inadequate public and private investment in the agricultural sector.

Despite promises by successive Nigerian governments that agriculture would be given priority, agriculture's share of the gross domestic product had declined from 60 per cent at independence to 21 per cent today, while the service sector and transport, particularly when related to the oil business, has grown proportionately.

Why does fuel drive out food? The reasons obviously go far deeper than the wrong government policies of the past, that are now widely admitted. The creation of oil wealth has upset the whole social balance between the cities and the rural areas.

Cocoa farmers are typical. Both the farmers themselves and the cocoa trees are aging. The younger generation, discontented by life in rural areas, has deserted for the towns, leaving the older farmer stuck in his traditional ways and not carrying out sufficient maintenance or disease prevention, let alone the replanting of lost trees which must be carried out every couple of decades if production is to be maintained.

Palm oil plantations have been similarly neglected. Frequently the fruit is not harvested and plantations are allowed to go back to bush. The older farmer cannot cope.

He abandoned cash crops first because prices were too low and switched to growing food crops because the prices they fetched were higher and because they could be marketed direct rather than through the agents of the marketing board.

Then gradually farmers began to grow only enough to meet their own requirements. As their children left for the towns, the spirit of enterprise and the necessity for more food left with them. The present Government is doing more than any of its predecessors to stem the decay. President Shagari, a keen farmer himself, sincerely believes that agriculture should be a priority. In April 1980 he launched yet another attempt to revive agriculture through the "green revolution". In the 1981 budget N20,000m or 12.7 per cent of the capital programme was devoted to agriculture, the highest-ever level in recent times.

Recently President Shagari said that he was "quite satisfied" with the progress being made in the states. He said that the harvest for the first year of the programme, which aims to make Nigeria self-sufficient in food before the end of the Fourth Plan Period (1985), was just coming in.

One of the plan targets is "the increased production and processing of export crops with a view to expanding and diversifying the country's foreign exchange earnings." A seven-year target is being set for the revival of cash crops. The marketing boards now pay the highest prices for the main cash crops anywhere along the West African coast. For cocoa for example, the Nigerian farmer gets the equivalent of £1,000 per tonne compared with £800 in Ghana, £553 in the Ivory Coast and £540 in Cameroon. Next year unless the world cocoa price averages over £1,100 per tonne the Nigerian cocoa Board, hence the Federal Government, will actually be subsidizing farmers without leaving any fat to meet administrative and transport expenses.

But clearly price incentives alone have not yet been enough to bring about a revival in the production of export crops. Under the plan priority goes to the food production sector.

There has been much criticism, lately, of the green revolution for putting too much emphasis on state-run, large-scale, mechanized projects. Professor H. A. Oluwaseun the former Vice-Chancellor of Ife University, said in a World Food Day speech that: "Large government farms would neither pay their way nor yield the expected returns in cheap and abundant food... government institutions and organizations are not designed to manage commercial ventures which require close personal attention."

The First National Seminar on the green revolution held in October also criticized the Government approach for concentrating on the main project of preventing millions of farms from getting the necessary inputs. Instead it had allowed groups not actually engaged in food production to profit. In its official communiqué at the end of the meeting, the seminar emphasized that caution should be exercised in encouraging large-scale mechanized farming. It called for a National Office of Peasant Mobilization under the direct control of the President, with its main purpose being to organize farmer cooperatives before 1985.

It is when the peasant farmer is convinced that it is worth his while to revive cash crop production that the current decline will be halted. Unfortunately there are few signs of this happening yet.

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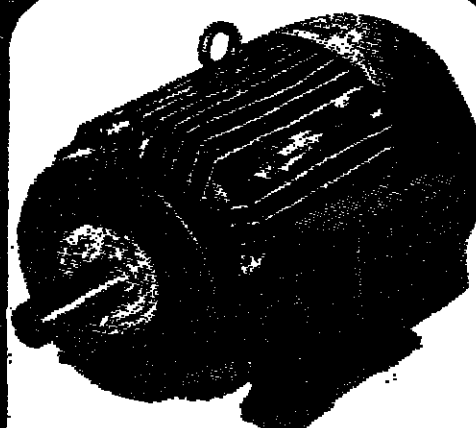
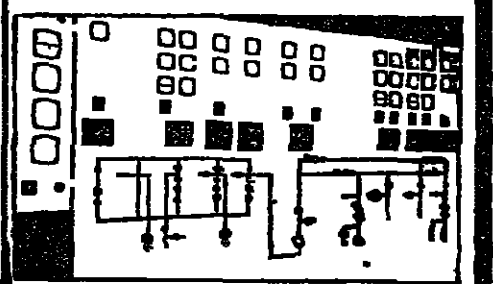
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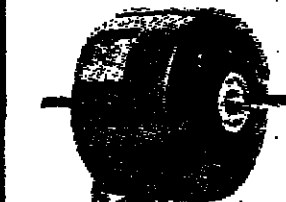
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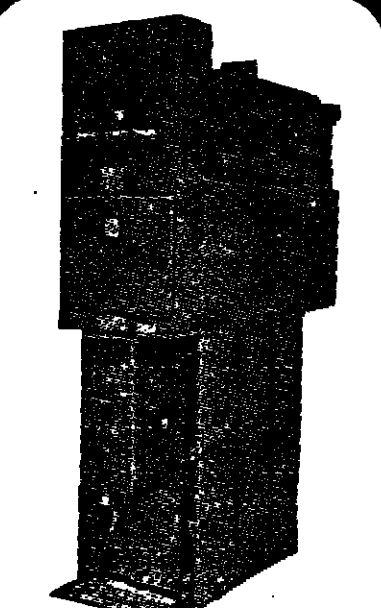
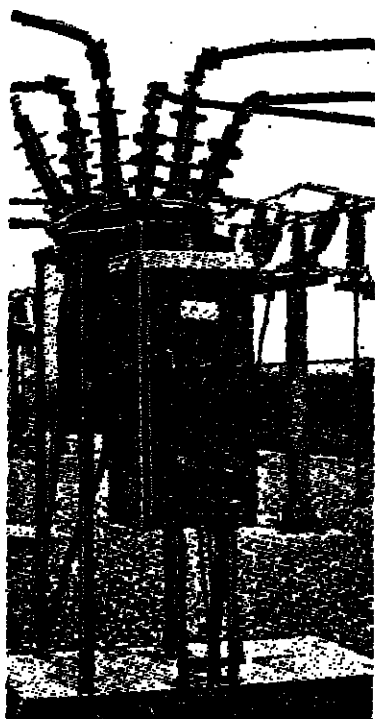


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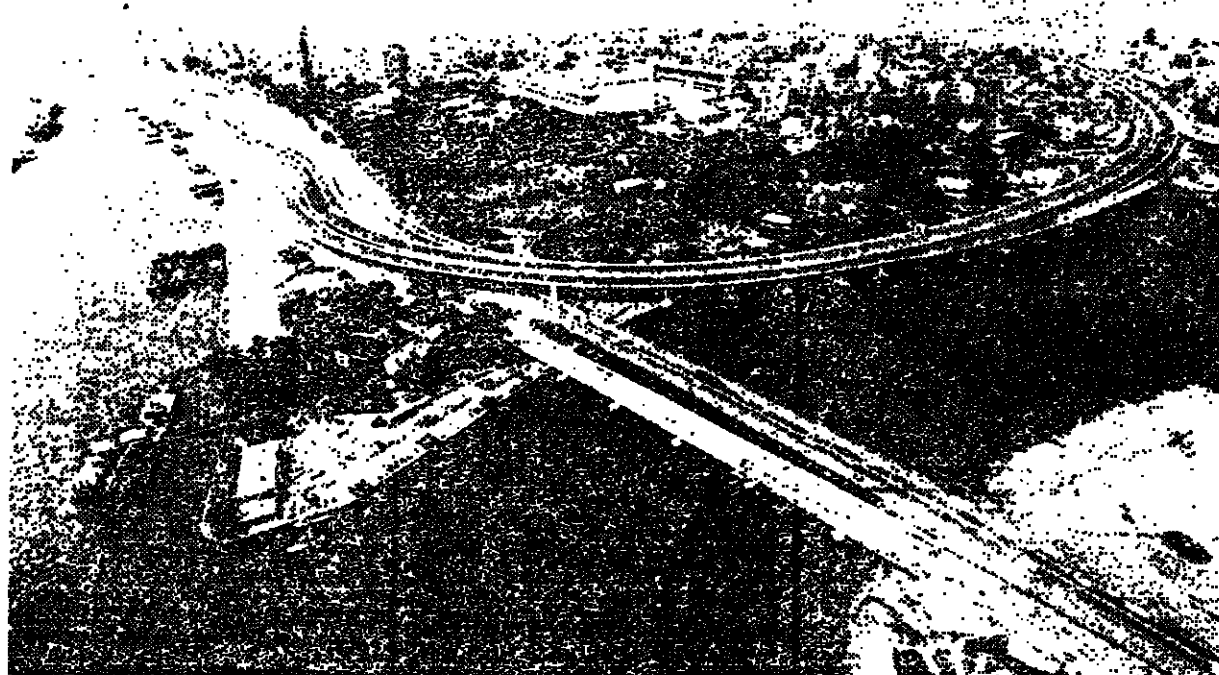
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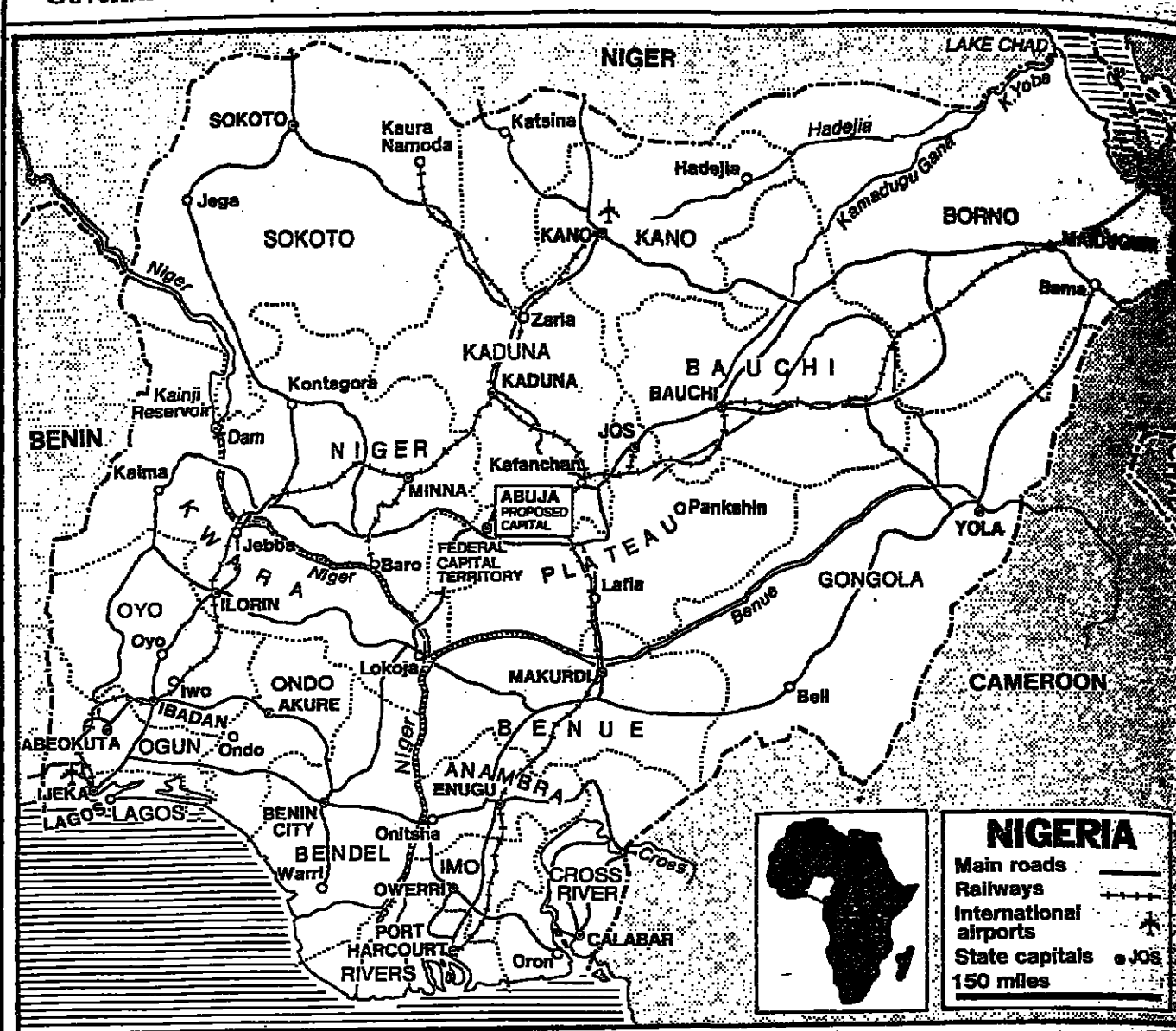
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NIGERIA

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FOCUS

Government

After 13 years of military rule Nigeria returned to a civilian administration in October 1979. It is a federal republic within the Commonwealth and its presidential system is based on the American model.

There are 19 states with elected members, chosen from the five registered political parties, in the Senate and House of Representatives. The dominant party is the National Party of Nigeria (NPN) and its leader is Nigeria's President, Shehu Shagari. The NPN election manifesto described the party as the only one "formed out of nationwide consultation and consensus" which, if elected, would work for an open society and a prosperous and self-reliant economy based on a strong agricultural sector and rapid industrialization with encouragement for private enterprise and foreign investment. The NPN was generally regarded as standing somewhat to the right of centre.

The President's running-mate in the election for the vice-presidency was the 46-year-old Dr Alex Ifeanyi-chukwu Ekwueme, a distinguished Ibo architect from Anambra State who had not previously played an active part in politics.

The NPN holds seven states: Bauchi, Benue, Cross River, Kwara, Niger, Rivers and Sokoto. Although there is no constitutional recognition of an official opposition party, the Unity Party of Nigeria (UPN), led by Chief Obafemi Awolowo, undoubtedly sees itself in that role. The UPN, which proclaims itself a democratic socialist party, holds five states: Bendel, Lagos, Ogun, Ondo and Oyo.

The Nigerian People's Party, led by Dr Nnamdi Azikiwe, holds three states: Anambra, Imo and Plateau, and the other two parties, Greater Nigeria People's Party (GNPP) and People's Redemption Party (PRP), each hold two: Borno and Gongola (GNPP) and Kano and Kaduna (PRP).

The next elections are to be held in 1983, and all five parties are already making preparations.

Economy

The worldwide oil surplus forced Nigeria to cut its output drastically in 1981. Although the consequent drop in oil earnings is not likely to be more than a temporary setback it has drawn attention to the inherent vulnerability of Nigeria's economy. Oil has been providing about 95 per cent of the country's foreign earnings and to make good the 1981 trading deficit the Government has been forced to draw heavily on its foreign exchange reserves. It is also expected to increase considerably its borrowings in the Eurocurrency market during 1982.

The Government has undertaken to curb imports and it can also be expected to reduce its own spending. But inflation, which was estimated at an annual rate of 14 per cent towards the end of 1981, is likely to quicken despite such measures. An important factor has been the Government's 25 per cent increase in the minimum wage for the public sector which, it is estimated, will put an additional N1.5bn on the Administration's wage bill.

One hopeful sign for the economy is the priority which is now being given to the redevelopment of Nigeria's agriculture. But, after a decade of neglect, the Government's planners concede that it will take some time.

National Development Plan

Nigeria's fourth National Development Plan, which came into effect in January 1981, provides for an investment programme totalling N22bn (nearly £700m) in the five years to 1985. That target seems likely to be retained despite the fall in oil earnings as the Government would have no difficulty in borrowing any necessary funds to finance the plan.

Priority is given to the redevelopment of Nigeria's agriculture with an allocation of N10.7bn for that purpose. Education and manpower development are also high on the list and other recipients will be manufacturing (N6.4bn), housing (N2.7bn), defence (N7.3bn) and the development of the federal capital territory at Abuja (N2.5bn).

It is expected that N70.5bn of the funds required will come from the public sector and the other N11.5bn from private investment.

Main cities and towns

Population Estimated at 90 million
Lagos (population estimated at 3,500,000) Capital, principal commercial centre and main port.
Kaduna (150,000) Notable for textile mills.
Kano (295,000) Main commercial centre in the north.
Jos (90,000) Capital of Plateau State. Centre for tin and other mining industries and agriculture.
Sokoto (90,000) Industries include a cement factory, a tannery and agriculture.
Maiduguri (140,000) Capital of Borno State. Centre for groundnuts and hides and skins.
Ilorin (208,000) Capital of Kwara State. Industries include cigarette and match factories, sugar growing and coal mining.
Ibadan (about 2 million) Capital of Oyo State. Produces 95 per cent of Nigeria's cocoa. Main university town.
Benin City (100,000) Capital of Bendel State. Main industries: sawmilling, rubber processing and brewing.
Warri (100,000) Important oil centre.
Port Harcourt (180,000) Capital of Rivers State. Major port and important oil centre.
Calabar (75,000) Capital of Cross River State.
Enugu (138,000) Capital of Anambra State. Badly affected by civil war but now growing in importance.
Bauchi (58,000) Capital of Bauchi State.
Minna (60,000) Capital of Niger State.
Ikeja (9,000) Capital of Lagos State.
Makurdi (54,000) Capital of Benue State.
Owerri (25,000) Capital of Imo State.
Abeokuta (187,000) Capital of Ogun State.
Yola (17,000) Capital of Gongola State.
Akure (71,000) Capital of Ondo State.

Leading companies and corporations

United Africa Company (originally a subsidiary of Unilever, now State-controlled)
Delta Steel
SCOA Nigeria
Nigerian National Petroleum Corporation
Nigerian Bank for Commerce and Industry (the Federal Government Development Bank)
Boskalis Westminster
Paterson Zochonis
IBRU
African Petroleum (formerly BP Nigeria)
Nigerian Paper Mill
Triana
Niger Construction
International Computers (Nigeria)

Inadequate statistics

In the annual report of the Central Bank of Nigeria (CBN) published in October 1981 the following comments are made:
"Once again we have to place on record that it has become increasingly difficult for the CBN to analyse the performance of the economy in general, and appraise the effectiveness of policy in particular, due to inadequate data. At the time of writing

this report (April 1981), for example, no actual data on Federal Government revenue and expenditure was available for the whole of 1980; the situation, as usual, was worse for the state governments.

External trade data in respect of 1980 similarly were unavailable. No firm data on domestic agricultural and manufacturing production are available on current basis. The available estimates are based on very scanty information and not much reliability can be placed on them. The data situation has, in fact, continued to deteriorate rather than improve. The Federal and State governments are once again called upon to recognise the lack of adequate and up-to-date statistics as a serious national problem calling for immediate attention and solution."

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International Bank for West Africa
International Merchant Bank
National Bank for Commerce and Industry
National Bank of Nigeria
New Nigeria Bank
Nigerian-American Bank
Nigerian Industrial Development Bank
North Central State Cooperative Bank
Pan American Bank
Savannah Bank of Nigeria
Wema Bank
Société Générale (Nigeria)
NAL Merchant Bank

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continued on page 1X

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Investing in Nigeria requires patience as well as money but it can be rewarding; a survey of some 70 manufacturing companies in the country showed an average annual profit for the five years 1975-80 of 39 per cent (of equity) pre tax and 20 per cent after tax. Those five years included a sharp domestic recession.

It has to be remembered, however, that virtually all investment in Nigeria has to be in partnership, using that world colloquially rather than with legal precision, with Nigerian interest, which may be official or private. Certain business activities are reserved for solely Nigerian interests, by the Nigerian Enterprises Promotion Act, more usually referred to as the Indigenization Act.

In other activities Nigerians must hold at least 60 per cent or 40 per cent of the equity but, as General Obasanjo observed when he introduced the decree, 40 per cent of a business in Nigeria is worth more than 100 per cent in half the other countries of the world. The categories in which non-Nigerians may invest cover a very wide range of activities, and Nigeria's need for industrial investment is wide.

The guide lines for the fourth national development plan allowed for 11,500m naira of private investment over the period of the plan, 3,000m naira of that being allocated for manufacturing. Admittedly, the plan is having to be revised because of the decline in revenue from last year's drop in oil production but the government sector is the most likely area to show pruning. According to President Shagari's recent Budget speech there was growth of something like 15 per cent last year in Nigeria's manufacturing sector.

Any investment in Nigeria must, therefore, be in the form of a joint venture. A joint venture may be with one or several local partners depending on a variety of factors. If it is with an individual it may be the person with whom dealings over a number of years have built up a mutual trust — simple exporters of goods were warned at a recent meeting of the Nigerian British Chamber of Commerce that if they do not soon become local manufacturers they may see their trade dwindle. Or it could be a man of proven integrity, even if of limited resources. Or it might be a rich established businessman wishing

to expand his interests into new fields.

It has to be recognized, however, that Nigerian domestic politics can change the circumstances of the individual partner in ways that may not be beneficial for the businesses in which he is involved and therefore it may be advisable to extend the Nigerian ownership beyond an individual. This can help to tap local capital sources, increase the number of people with an interest in the success of the venture and help the foreign investor to be the largest single shareholder. This latter object is desirable since it will help the foreign investor to be responsible for day-to-day management of the venture — it is assumed that there will be a local board responsible for more strategic management.

Management resources in Nigeria are very scarce and are inadequate for the country's needs, especially at middle management and supervisory levels where development is far outstripping the supply of experienced people. An investor will have to expect to do a considerable amount of training. He will come under pressure to indigenize his staff as soon as possible but also sheer cost of maintaining expatriate staff in Nigeria will ensure that few investors will keep them there longer than is essential.

For anybody contemplating investing in Nigeria it is essential to visit the country, and to keep visiting it or at least have regular visits made by a very senior member of the investing organization. But before going out do some thorough homework — mistakes can be expensive.

Not only will there be a lot of paper but it will have to be filled in faultlessly, the chances are that the civil servant handling forms will not have the confidence born of years of experience to pass over a slip of the pen and will stick rigidly to what the rule book actually says, not apply its spirit. (There is a tale of one form having been rejected because of a change of ink.)

The guidelines to the fourth national development plan list nearly 100 industries that the Federal Government would like to see developed. They range from telecommunications switchgear to tooth picks: the latter probably do not offer much opening for a foreign investor, indeed quite a few of the hundred are simple manufac-

turers not needing a foreign investor whose principal contribution is almost certainly going to be expert knowledge both industrial and managerial. This still leaves a generous range of opportunities.

At present the major openings are in import substitution industries, which the Government wants to encourage, and in processing local materials again for local consumption. Nigerian production costs are too high to allow many Nigerian manufacturers to be competitive in foreign markets, and, indeed, most domestic industries need protective tariffs against imports.

President Shagari promised in his Budget speech a tightening up of the customs service which has hitherto been unable or unwilling to prevent smuggling on a scale which has done considerable damage to Nigerian industries, such as plywood and textile industries to quote two major examples which suffered severely in the past year.

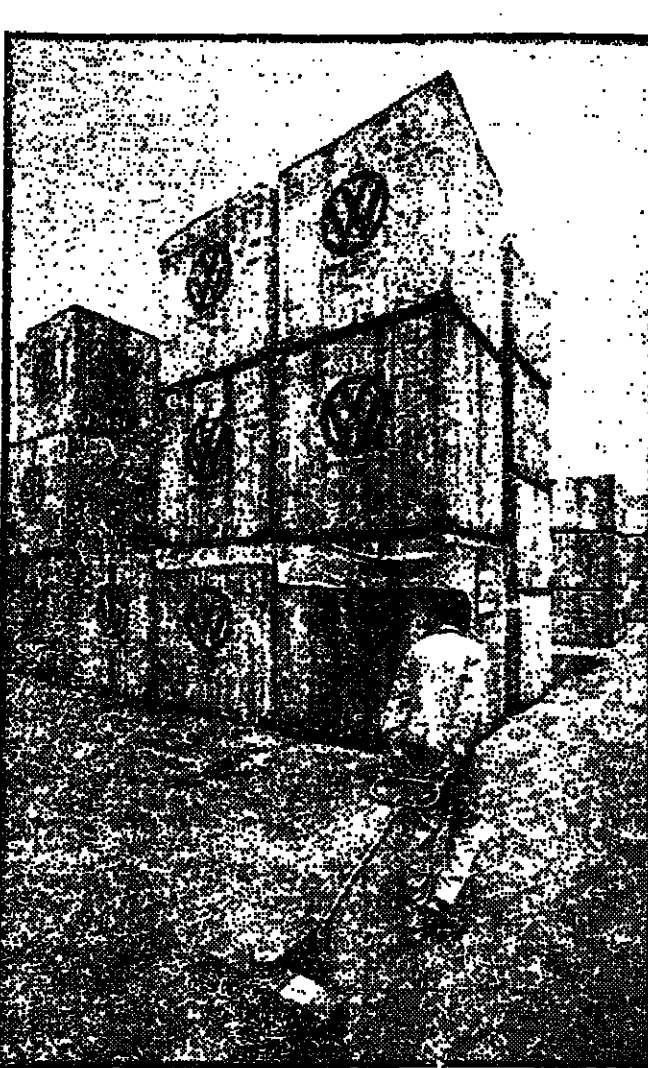
Opportunities exist for simple metal working such as galvanizing tube, buckets, dustbins, drums, barrels, rolling or extruding aluminium nuts, bolts, screws, washers and other simple metal goods used in the construction industry.

Last November the Minister for Housing, Dr. Wabab Dossamu, said that foreign investors would be encouraged to build houses to sell to Nigerians. He said they would get invited to visit states to assess what type of house would be appropriate.

There are still plenty of openings in the vehicle components field. More makers of refrigerators are needed, as are makers of sanitary ware, floor and wall tiles and ceramics generally. Electrical accessories and insulators are needed and the plastics industry will, in the not-too-distant future, be able to draw raw materials from local petrochemical plants. Shoes and clothing are banned imports but the scale of smuggling makes it plain that local industry does seem able to satisfy demand in either quantity or quality. Although the beer and soft drink industries are still expanding their capacity the market seems to be even faster growing.

Areas in which the Government is particularly keen are agriculture and agriculturally based industries; in these sectors foreigners are allowed 60 per cent of the equity but very careful planning and advance studies are needed in these activities. It should also be remembered that Nigerian agriculture is not heavily mechanized and much of the land is not suitable for the farming technology that is used in Europe.

Nigeria's population is generally put at the convenient round figure of 80 million and the proportion coming into the cash economy as potential customers is increasing, even faster than the overall population — one projection has forecast this at 200 million by 2,000 which could provide a substantial home market to support an industry. Nigeria is a member of the Economic Community of West African States, ECOWAS, a grouping of 16 countries which is moving towards a customs union



Volkswagen parts for assembly at the Lagos plant.

with internal free trade (by the end of May 1989) and a common external tariff. By then the transport system with the 16 states — stretching westwards from Nigeria to Senegal — should be much improved, making the possibility of exporting from a Nigerian manufacturing base a reality.

All round, Nigeria offers many attractions and openings for overseas investors — and is more kindly inclined towards those who declare faith in Nigeria's future early. Setting up there can be arduous, requiring a lot of patience and painstaking attention to detail. There are profits to be earned, though it would not be wise to expect automatically to repeat the experience of the company which last year declared a dividend of 30 per cent on its first full year of production.

Peter Thistle Sufferin

TRADE

In the court of King Oil

In the terms of its size, the oil wealth at its disposal and the country's long-term development plans the Nigerian market remains one of the most attractive in the world. But for Nigeria the most worrying aspect of her trade is the pattern which persists after 21 years of independence: the country remains an importer of all the most important manufactured goods and an exporter of raw materials.

The only significant change in the pattern is that oil has been substituted for agricultural commodities as the principal export. In addition, most of Nigeria's trade remains with Europe and North America. Revenues from oil enable Nigeria to import the machinery she requires for her development; few of these are as yet being produced at home.

The oil glut forced Nigeria to cut its production back drastically during 1981 to a low of 773,000 bpd in July and one result of that was a package of austerity measures in September. Oil accounts for over 95 per cent of all Nigerian exports. It dominates Nigeria's trade too much for comfort and in 1980 96.1 per cent of all foreign earnings came from oil. The value of oil exports last year came to 135,000m naira while that of all other exports to only 554m naira. Even despite the glut increased prices for oil mean the value of exports has leapt from a 1977 figure of US\$12,430m to a 1981 forecast figure of US\$20,000m.

Principal customers for Nigeria's oil exports (1980 figures) are: the USA — 44.3 per cent, The Netherlands — 12.1 per cent, France — 11.2 per cent, West Germany — 6.6 per cent, Italy — 2.8 per cent and ECOWAS 2.8 per cent. A cause for concern during 1980 was the fact that non-oil exports fell by 17 per cent. Of these latter Britain takes 28.6 per cent; other partners for Nigeria's non-oil exports are The Netherlands — 17.6 per cent, West Germany — 17 per cent, USA — 11.7 per cent, followed by France, Japan and Italy.

Most of Nigeria's imports come from Europe with Britain well in the lead as principal supplier although that position is now strongly challenged by West Germany.

The main categories for Nigerian imports are machinery and transport equipment (valued at 4,548m naira in 1980), manufactured goods (2,076m naira, food and live animals (1,091m naira), chemi-

cals (734m naira) other miscellaneous manufactures and mineral fuels.

In 1977 Nigerian imports cost US\$9,721m and were more than covered by exports; but for 1981 it is estimated that imports will cost US\$22,000m, and that there will be an adverse trade balance in the region of US\$2,000m, the highest ever. It is expected, moreover, that the overall balance of payments deficit this year will reach \$400,000m reducing Nigeria's international reserves from \$1,200m at the end of 1980 to about \$6,000m at the end of 1981.

Britain is still by far the largest supplier to Nigeria and currently holds about 22 per cent of the Nigerian market. Nigeria is Britain's tenth largest overseas market and her largest outside Europe and the USA. Britain's principal exports to Nigeria consist of machinery, transport equipment, manufactures and food. In return (now that Britain no longer takes Nigerian oil) Nigeria mainly supplies agricultural commodities. There is a huge trade deficit in Britain's favour.

The size of the Nigerian market is testified to by the fact that in the six months to the end of November 1981, for example, British firms alone won contracts in Nigeria worth £350m. Yet despite such figures Nigerian businessmen are not sufficiently aggressive and that in consequence too many major projects are won by Britain's principal competitors — West Germany, France, Japan and the USA.

Most successful is Peugeot

In 1980, after Britain, West Germany held 15 per cent of the Nigerian market, the USA 11 per cent, Japan 10.8 per cent, France 7.1 per cent, Italy 6.7 per cent and The Netherlands 4.1 per cent.

In recent years France has made determined efforts to obtain a larger share of the Nigerian market: she has had considerable success and Nigeria is now France's second trading partner overall in Africa after Algeria. In 1980, for example, France supplied Nigeria with 200,000 tonnes of sugar which accounted for 16 per cent of her exports to her.

French investment in Nigeria is increasing fast and there are now more than 120 French companies operating in the country. The most visible — and successful — of these is Peugeot. Last year

France imported 12,700m francs worth of goods from Nigeria of which half — 10.9m tonnes — consisted of oil.

This year the Nigerian Export Promotion Council reported some encouraging signs of Nigerian exports increasing to her ECOWAS partners — notably Senegal, Ivory Coast, Togo and Sierra Leone — with the high quality of Nigerian goods comparing favourably with similar goods made in those countries. A very small proportion of Nigeria's total trade, however, is with either ECOWAS or the rest of Africa. ECOWAS is the obvious outlet for much Nigerian trade — certainly for her manufactures which are unlikely to penetrate the European market for a long time to come. But ECOWAS faces a number of technical and administrative problems: tariff differentials between members which so far have only been partially reduced, divergent currencies and indifferent infrastructure.

A long way to develop

Nigeria's total African trade only amounts to about six per cent of her worldwide trade although figures may be distorted because of widespread smuggling in the region. In 1980 Nigeria's non-oil exports came to only 2.8 per cent. Thus Nigeria's closest and in theory most obvious market still has a long way to develop.

One relatively new trading partner is India: there are now a number of joint Nigerian-Indian ventures while Indian companies are beginning to take up management and other contracts which until recently went more or less exclusively to European companies. There are bureaucratic and administrative problems for traders with Nigeria and one way to get round these is for companies to invest directly, something Lagos is happy to encourage. The areas most suitable for such investment are vehicle components, agriculture and food processing, building materials, telecommunications and chemicals. There are other possibilities. If, as everyone hopes, an upturn in the world trading position takes place and the oil recession ends Nigeria will boom again. Even in the present depressed market conditions it remains one of the most attractive markets in the world.

Guy Arnold

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NIGERIA

Nigerians desperately need foreign expertise and foreign investment but hate to admit it. Gillian Gunn explains attitudes to economic nationalism

Holding on to independence

A tourist wandered into the central Lagos market recently, taking photographs of elegantly obese "Mammy traders" selling equally plump silver fish out of old, somewhat unhygienic, oil drums. An irate Nigerian accosted her: "You can't take pictures that ridicule us and then sell them in Europe for your own profit. Give me that film or I'll smash your camera!"

Like many Third World countries, the colonial experience has left Nigeria with an understandable chip on its shoulder. The desire to appear respectable in Western eyes, avoid exploitation and demonstrate independence evidenced in the man's outburst is reflected throughout Nigerian life. It has special consequences when applied in the economic sphere.

Ever since independence the Nigerian Government has sought to prove itself an independent entity that cannot be pushed around by the old metropole. A particularly vigorous form of economic nationalism emerged early on, which idealizes reduction of foreign control over all aspects of commerce and industry.

But in recent years the "I'm all right Jack" attitude has been tempered by a realization that Nigeria desperately needs the technical and financial resources foreigners can supply. Nigerian nationalism has acquired an ambivalent flavour, with the country simultaneously yearning for foreign assistance and hating to admit it.

Consequently the Government constantly tinkers with legislation as it tries to balance nationalistic desires with economic realities.

An example of this balancing effort is found in the "National Office of Industrial Property" legislation. Established in 1979 by the outgoing military government, the office was supposed to examine trademark, management and technical agreements between Nigerian and foreign firms to ensure that terms were fair. Objectionable agreements which exploited Nigerian enterprises were to be denied foreign exchange approval for payment.

"Because of the profit motive, foreign companies supplying technology don't want us to develop the absorptive capacity to redesign and implement that



The single white face among miners at Onyema coal mine belongs to a Polish expatriate

know-how", a Nigerian technology expert said at the time. "They want to sell us the same technology again and again. We are like the buyer of a house who every day has to call in the architect to turn on the lights."

When President Shagari was elected in late 1979 he took note of objections from foreign firms, which claimed the law would deter investment and eventually reduce the transfer of technology to Nigeria. In response Mr Shagari declined to implement the law and in early 1981 the Government reviewed the legislation and softened some requirements. By the end of 1981 the law was still on the books, and companies had received questionnaires on their technology transfer terms, but the office still had made no rulings against foreign firms. Economic realities won over nationalistic sentiment.

The balance between these conflicting imperatives is also reflected in Nigeria's 1977 "indigenization decree"

(officially termed the Nigerian Enterprises Promotion Decree). This limits foreign investment with the aim of "promoting and protecting Nigerian participation in all areas of the economy".

The decree permits 40 per cent or 60 per cent foreign equity investment in Nigeria, depending on the target sector's level of technology and capital intensity.

Designed to reduce foreign control of the economy, the law soon created a "chilling effect" on investors in some sectors. In February 1981 the Government responded by increasing the foreign equity limit for a number of sectors, including agribusiness, from 40 per cent to 60 per cent.

More recently President Shagari proposed a Bill in the National Assembly which would redefine a foreign company in the context of the indigenization decree and permit greater foreign expansion in Nigeria.

Finally the nationalist/pragmatist dilemma is illustrated in Nigeria's policies on expatriates. Nigeria's image

of itself as an independent country equal in stature to the old colonial power is not enhanced by the presence of thousands of expatriates.

When applying for an expatriate permit the prospective employer must report its programme for training Nigerians as well as its plans for replacing foreigners with locals. The Government can also order outright employment of Nigerians. Last winter, for example, firms were instructed to place Nigerians in executive board positions.

In technology transfer, foreign investment and expatriate employment the balance between nationalism and pragmatism has increasingly been struck in the latter's favour over the last few years. But admitting the need for foreign assistance does not rest easily on the Nigerian conscience and the pendulum is sure to swing the other way again eventually. In the meantime, nationalistic rhetoric will continue to live uncomfortably with economic realism.

FOCUS

continued from page IX

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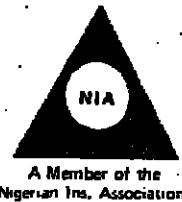
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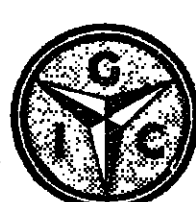
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Water Resources: Alhaji Ndaghi Mamudu
Works: Professor Sunday Matthew Essang

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Housing and Environment, 4th Floor, Block 1, New Secretariat, Ikoyi.
Industries, 9th Floor, Block 1, New Secretariat, Ikoyi.

Internal Affairs, 1st Floor, Block 1, New Secretariat, Ikoyi.
Justice, 4th Floor, Block 2, New Secretariat, Ikoyi.

Mines and Power, 6 Storey Building, Broad Street, Lagos.

National Planning, 5th and 6th Floors, Block 1, New Secretariat, Ikoyi.

Police Affairs, 2 Kofe Abayomi Street, Victoria Island.

Sciences and Technology, 3rd and 4th Floors, Republic House, Marina, Lagos.

Social Welfare, Youth, Sports and Culture, Kofe Abayomi Street, Victoria Island.

Steel Development, 1 Osumba Mbadiwe Street, Victoria Island.

Transport, Joseph Street, Lagos.

Water Resources, 5 Kofe Abayomi Street, Victoria Island.

Public Works, Tafawa Balewa Square, Lagos.

Transport

Road: All-weather roads make it possible to get to many points by car but in some areas many secondary roads are likely to become impassable during the rains. Traffic travels on the right.

Rail: The railway system consists of about 3,500km of track with main lines from Lagos and Port Harcourt which meet at Kaduna. The line then continues through Zaria and Kano to Nguru. There is a branch line to Jos, Gombe and Maiduguri and another to Funtua, Gusau and Kaura Namoda. Although passenger facilities exist the main traffic is freight. At present the railways are managed by an Indian company, Rail India Technical and Economic Services. A new standard gauge railway system is to be built covering over 6,000km of track.

Ports: The three main ports are Apapa/Tin Can Island, Port Harcourt and Calabar. The other four - Sapele, Warri, Burutu and Koko - handle only small quantities of freight. Plans are on hand to expand the Atlas Cove oil terminal at Lagos.

Air: Nigeria Airways operate services from Lagos, Kano and Port Harcourt to link with 11 other centres: Sokoto, Maiduguri, Ibadan, Benin, Enugu, Calabar, Makurdi, Ilorin, Kaduna, Jos and Yola.

Entry regulations

Business visitors must now apply for entry permits to the Nigeria High Commission Area Office nearest to their business address. These are:
- The Nigeria High Commission Area Office, 3-11, North St Andrew Street, Edinburgh. Telephone: 031-557 0275 (Lagos and the north of England).
- Nigeria High Commission, Consular Section, Fleet Street, London EC4. Telephone: 01-353 3776 (the south and east of England).
- Nigeria High Commission Area Office, Oriel Chambers, 5 Covent Garden, Liverpool. Telephone: 051-227 4921 (Wales and the west of England).

Visitors with passports bearing statements such as "Visa applied for" should not travel to Nigeria until they have a valid entry permit. Applications should be made well in advance and should be supported by a letter of invitation to visit Nigeria and the return ticket for the journey.

Health certificates

Visitors require international certificates of vaccination against smallpox (issued not more than three years previously), yellow fever (not more than 10 years previously), and cholera (not more than six months previously) only if arriving from an infected area. A TAB vaccination is recommended.

Radio and TV

Radio: Nigerian radio services are controlled and owned by the Federal and State governments. A national service is provided by the Federal Radio Corporation of Nigeria (FRCN) known as Radio Nigeria with headquarters in Lagos.

In addition to the national service state broadcasting stations are operated in each of the states. There is also an FRCN external service which broadcasts to Europe, Africa and the Middle East in English, French, Hausa, and Arabic.

Television: A national TV network was established at the end of 1975 bringing under Federal control the stations previously operated by some states. Countrywide colour coverage is virtually complete with an NTA (Nigerian Television Station) now in every state. Several state governments, mainly those opposed to the present Government, are now also establishing their own TV stations.

Public holidays

Public holidays - 1982
Eid el Maulud
January (1981: January 19)
Eid el Fitr
July (1981: July 31)
National Day
October 1
Eid el Kabir
October (1981: October 8)
The dates of holidays marked * depend on physical sightings of the moon and therefore vary each year. The Muslim lunar calendar has only 354 or 355 days so Muslim dates and holidays fall 10 to 12 days earlier each year on the Gregorian calendar.

Principal religions
It is estimated that about 44 per cent of the population is Muslim. About 22 per cent is Christian and most denominations are represented. Ethnic groups and language
English is the official language but there are four main linguistic and tribal groups: Yoruba in the west; Ibo (east); Hausa and Fulani (north).

Bookshelf

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continued on page X

Balance of payments forecast

	1980	1981	1982	1983	1984	1985
Exports	14,640	15,872	16,758	17,894	19,079	20,306
Imports	11,818	13,263	14,884	16,601	18,485	20,548
Trade balance	2,822	2,409	1,874	1,293	594	-242
Net service payments	-1,233	-1,259	-1,330	-1,493	-1,538	-1,622
Current account balance	1,589	1,150	544	200	1,160	2,380
Net transfers	-233	-262	-288	-306	-337	-364
Direct foreign investments	240	264	290	350	400	450
Official capital	580	700	750	800	850	900
Change in reserves	+2,158	+1,852	+1,298	+644	-247	-1,394

Source: Outline of the Fourth National Development Plan 1981-85

Imports

	1978	1979+	1980*
Food and live animals	1020.7	786.5	1091.0
Beverages and tobacco	70.7	49.5	97.3
Crude materials	108.4	112.1	135.2
Mineral fuels	174.6	206.8	241.5
Animal and vegetable oils and fats	73.3	52.3	77.3
Chemicals	647.9	540.3	734.0
Manufactured goods	1850.3	1524.1	2078.5
Machinery & transport equipment	3587.5	3781.5	4548.6
Miscellaneous manufactures	664.5	414.8	668.4
Unclassified	13.8	14.3	20.3
Total	8211.7	7472.5	9658.1

* Provisional * Estimated

Exports

	1978	1979+	1980*
Oil	5,401.6	10,166.8	13,523.0
Cocoa	377.9	432.2	311.8
Palm kernels	12.7	11.8	11.5
Rubber	12.6	13.0	11.8
Cocoa butter	17.6	20.8	19.8
Miscellaneous manufactures	242.0	192.2	199.1
Total	6,804.4	10,836.8	14,077.0

* Provisional * Estimated

Gross domestic product

	1980	1981
NSD, \$bn (est)		
Sectors (per cent):		
Agriculture	22	
Oil & mining	25	
Manufacturing	10	
Construction	9	
Transport	2	
Wholesale and retail trade	20	
Housing	3	
Government services	7	
Other services	5	

Estimated gdp for 1981: N57bn

Exchange rate

	US \$ to the N
1975	62868
1976	63079
1977	65138
1978	64750
1979	56051
1980	54445
1981 February	56893
March	56977
April	58136
May	60522
June	64616

Source: UN Bulletin of Statistics

Major trading partners - 1980

	Imports (per cent)	Exports (per cent)
Britain	21.2	1.4
West Germany	13.8	12.6
Japan	11.4	12.4
France	10.2	46.9
USA	8.6	12.0
Netherlands	7.0	3.9
Italy	5.2	1.8
Belgium	4.5	2.3
Sweden	—	—

Trade with Britain

	Imports (\$m)	Exports (\$m)
1978	58.7	35.4
1979	57.7	5.1
1980	8.2	13.5
Food and live animals	13.5	6.8
Beverages and tobacco	2.1	1.6
Crude materials	171.9	123.2
Mineral fuels	224.0	131.0
Animal and vegetable oils and fats	—	248.9
Chemicals	135.5	66.2
Manufactured goods	6.7	5.7
Machinery & transport equipment (inc cars etc)	—	—
Miscellaneous manufactures	—	—
Unclassified	—	—
Total	1133.3	638.2

External debt

	1978	1979	1980
ADB	35.6	32.6	2.5
Canada	154.3	163.9	179.1
Hungary	11.3	10.4	9.6
IBRD/IDA*	30.0	30.5	43.7
Italy	9.4	9.0	8.7
Japan	43.5	42.4	38.9
Netherlands	46.0	49.3	49.1
United Kingdom	0.6	0.6	—
USA ID	34.1	231.1	281.1
USSR	627.4	1,027.8	1,090.2
Western Germany	259.8	13.9	111.2
Other	—	—	—
Total	1,252.1	1,611.5	1,947.2

* International Bank for Reconstruction and Development/International Development Association

International reserves minus gold

	1981	US\$ m
January	9,974	
February	9,184	
March	9,728	
April	9,089	
May	10,161	
June	8,910	

Source: United Nations

Crude oil production

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981*
('000 b/d)	1,530	1,618	2,054	2,256	1,786	2,067	2,085	1,926	2,292	2,052	1,480

* January-August
Reserves: 20bn barrels

Consumer price index

	1975=100	A=All	B=Food
1976	A	128.9	128.9
1977	A	128.0	128.0
1978	A	143.0	143.0
1979	A	144.7	144.7
1980	A	171.9	171.9
1981 April	A	185.3	185.3
May	A	185.7	185.7
June	A	184.8	184.8
	B	191.3	191.3

Source: UN Bulletin of Statistics

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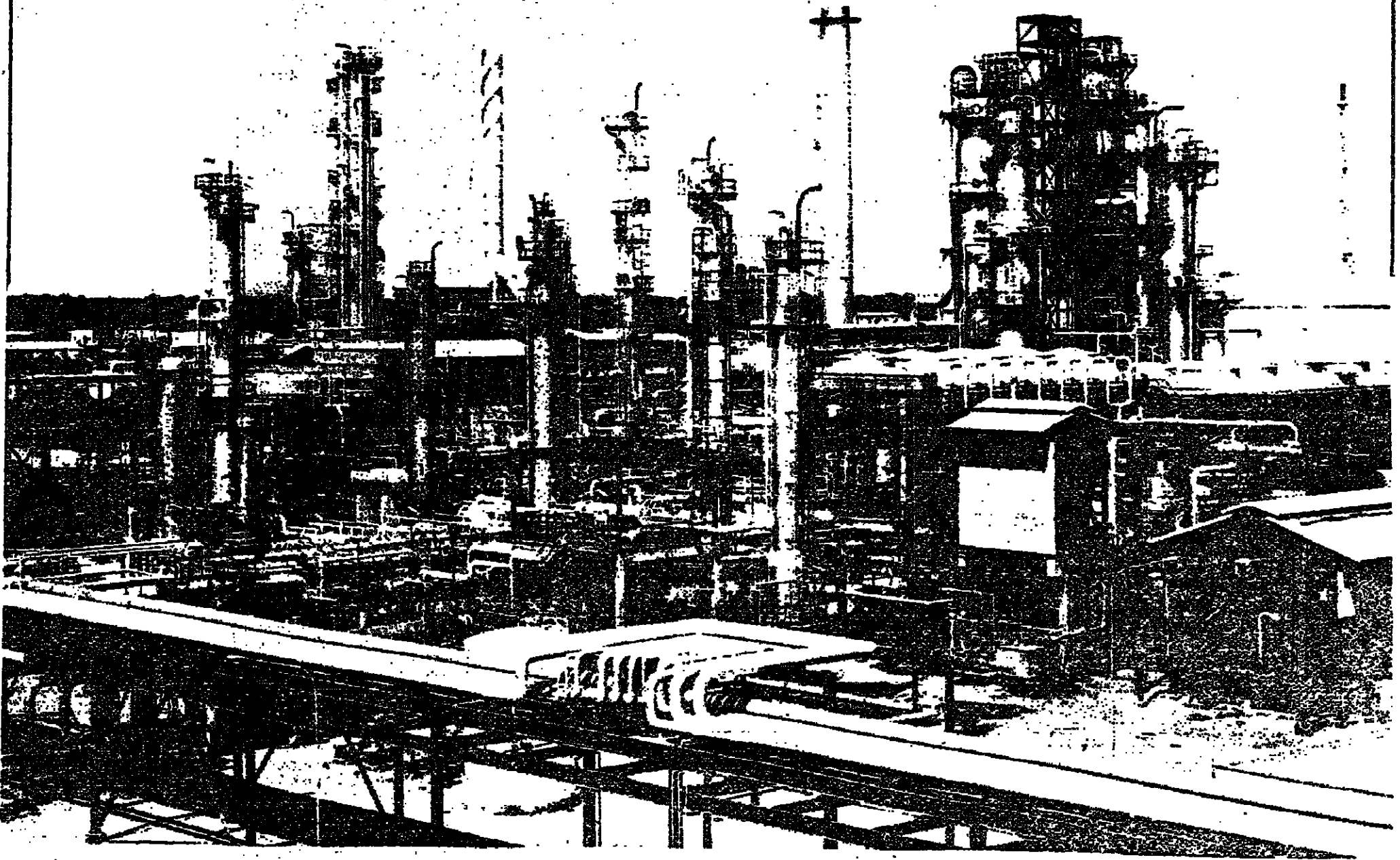
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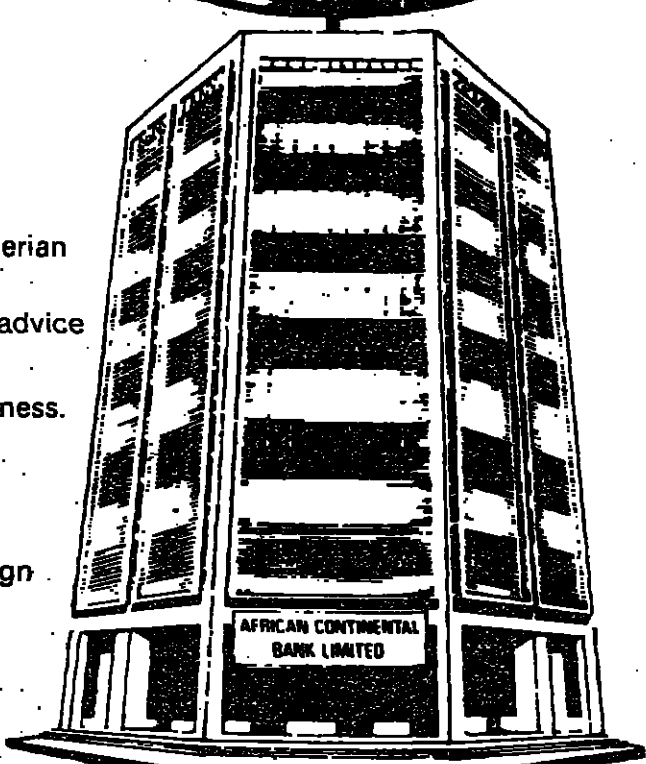
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NIGERIA

BANKING

Dominated by the imperial giants

Nigeria has 20 commercial banks and six merchant banks riding high on the back of the oil boom and the burgeoning economy. But while the oil sector has fluctuated violently in the face of world recession, Nigerian banking seems to be growing faster now than at any time since independence. Many of the leading merchant banks almost doubled their profits in 1980. Lending to the private sector by the commercial banks surged by nearly 40 per cent to 5.4bn naira last year and the Government had to restrict total credit expansion in 1981 to 30 per cent, in an attempt to stop the banks running away with themselves.

"The assets of many of the banks almost double every year," said one prominent bank specialist, "and a whole host of new banks are now trying to get in on the act." Ten new banks which originally applied for licences in 1978 are waiting to be approved. They have already been recommended by the Central Bank of Nigeria for approval. Five of the applications are by state governments to operate local co-operative banks and the rest are by private businessmen. Conditions for starting new banks are strict. The oldest surviving indigenous bank, the National Bank of Nigeria was founded in 1933. It now ranks seventh in size, behind other banks with foreign shareholdings. But the extraordinary thing is that the NBN did survive, and is shortly to celebrate its 50th anniversary while 20 out of the 26 Nigerian banks formed in the 1950s have failed, despite connections with the highest politicians in the land.

Despite the growth of indigenous banking, with the Bank of the North now out in front and ranking fifth in the bankers' league, the sector is still dominated by the banks that grew in the imperial tradition. The first bank comes first. Since the 1976 indigenisation decree it is 40 per cent owned by Standard Chartered and 60 per cent by Nigerian interests. France's Banque Nationale de Paris holds a similar share in the second largest, the United Bank for Africa. It has had one of the most impressive growth records since the early 1960s, because of its aggressive support for local industry where the risks are high but the returns are large. Union Bank now lies third in the turnover rankings though it has more branches than any other. Barclays, once the leader in Nigeria, is now reduced to a 20 per cent shareholding in the Union Bank following its brush with the former military government in 1978, which took all government accounts away as a punishment for its activities in South Africa. This situation has been relaxed by the civilian government, but the Union Bank has been unable to recapture its lead.

The top three banks still account for more than 60 per cent of the assets of the banking sector, over 55 per cent of the deposits and about 60 per cent of total loans. About a third of Nigeria's working population holds bank accounts and they have to put up with a fairly primitive system. The banks still have no centralized clearing system, cheque guarantee cards and credit cards are scarcely usable and a journey to a bank in any of the major cities is something of a nightmare, with long queues, bureaucratic systems of checking and counter checking and surly service by disinterested clerks leading to long delays. But at least modern banking is comparatively safe compared with the disasters of the 1950s and the banks are serving their prime function of looking after their clients' money.

The Federal Government has not been able to create a courteous banking service by decree, but it has been highly successful in transferring at least 60 per cent of the ownership of banks into Nigerian hands, while at the same time retaining the expertise and connections of the leading overseas banks. The 1976 indigenisation decree can be reckoned an unqualified success as far as the banking sector is concerned. The overseas banks have found their Nigerian operations highly profitable, despite their reduced shareholdings, while Nigerian shareholders have done even better. And fully professional Nigerian bankers are emerging at all levels throughout the banking system.

Government control through the Central Bank, has become extensive. Since January 1980 the Government had the right to appoint half the board of directors in

all the 11 banks in which it has a shareholding. The Central Bank sets interest rates for deposits and loans. It ensures that commercial banks maintain a 10:1 ratio of assets to capital and tries to control bank lending by a complicated quota system. Recently credit expansion has been so fast that it set a limit of 30 per cent for the expansionist bank lending in 1981. But in recent months most banks found that they had reached their limits and were forced to issue redeemable preference shares to redress the situation. Already the First Bank and the United Bank for Africa have strengthened their equity base by this method, with other major banks waiting in the queue.

The Central Bank has also set quotas on bank lending to make them take their part in financing less profitable and more risky areas such as agriculture. The pressure is also on to lend mainly to Nigerians, to small businesses and to people in rural areas. The discipline imposed by the Central Bank is formidable, a most complex quota system forces banks to loan 75 per cent of their money to the productive sectors of the economy (eighty per cent to agriculture) and only 25 per cent to the service and commercial financing sector where the banks would like to concentrate their money.

The banks are expected to further categorize their lending with 70 per cent of the total going to Nigerian borrowers and 16 per cent to small businesses. With such a complex system applied to 20 commercial banks, it is difficult to enforce. In 1980 only 70 per cent of lending went to the priority sector and the Central Bank imposed fines on banks which had not achieved their quotas. This leads to considerable frustration, but it does mean that the pressure is on to comply with overall economic objectives.

Another aim has been to get the banks to develop rural banking. The rural banking programme required the commercial banks to open 200 branches in designated areas by June 1980. Many of the banks, including the leaders failed to achieve their targets. A second phase of the programme then started with the requirement for a further 200 branches in specified rural locations by 1983. When this is completed there should be over 1,000 branches in the federation.

The rural banking programme is very unpopular with the bankers who claim that they lose money heavily on each branch that they open, saying that they cannot expect to make profits for at least ten years. But businessmen who are battling to establish industries in remote areas need a local banking service and complain bitterly at having to deal with inefficient Lagos branches where they have little personal contact. Many businessmen feel that when the Government programme of 1,000 branches is completed, this will be insufficient for the country as a whole, with its nearly 90 million population.

Some of the more far-sighted bankers realize that if they are the first to master the problems of rural banking and to establish themselves as market leaders they will reap great rewards in the future. But if it was not for the pressure by the Government, the banks would undoubtedly concentrate on the main towns where easy profits are to be made. So they are now being asked to sacrifice a little of their burgeoning profits in the interests of rural development, the promotion of agriculture and the task of making rural areas better places to live in. By the time the oil wealth dries up, the banks should have played their part in promoting balanced development to the furthest corners of the federation.

Alan Rake

The author is managing editor of African Business and New African.



Chief Theo Akinyele, Director of the Budget.



Ola Vincent, Governor of the Bank of Nigeria.



Victor I. Masi, the Minister of Finance.

MANPOWER

Training: the key to development

The most important key to Nigerian development is not oil money, nor foreign investment, but education and training. That is the view of an increasing number of Nigeria's planners, and their arguments are persuasive.

No matter how much money flows in, if it is not husbanded efficiently by well-trained managers and productive workers, these planners say, real development will remain an illusion. The outline of the 1981-1985 development plan acknowledges this point, saying, "It is well known that shortages of skilled manpower constitute the most serious bottleneck to the capacity of the economy to absorb the increasing volumes of investment made possible by oil revenue."

But actions speak louder than words, and to date Nigeria's education and training efforts have been inconsistent. Finance earmarked for government education schemes have trickled in fits and starts. Much of the funds for university development included in the previous five

year plan never materialized because of budget cuts. More recently primary school education suffered when the Federal Government handed responsibility for this sector over to the state and local governments, many of whom have now spent the education finance on other projects.

None the less, overall government intentions are clearly honourable, and significant progress has been made. Today more Nigerians graduate each year than in the entire period of British colonial rule. A full N2.2 billion, or 5.5 per cent of the federal capital investment during the 1981-1985 plan period is to go on secondary, university and technical education. The University Primary Education campaign (UPE), first launched in 1976, is expected to enroll more than 15 million children in 1982. In addition, the Federal Government will finance construction of eight new universities over the plan period.

These plans will surely be dogged with familiar implementation problems, but the goals are sensible and the programmes are well suited to Nigerian conditions. Development experts particularly approve of Nigeria's new emphasis on vocational and technical training. In light of the severe shortage of skilled workers in the country, seven of the eight new universities will specialize in technical skills, and vocational training will be emphasized at the secondary education level.

Previously firms used on-the-job training for factory hands, while sending promising managerial candidates overseas for special courses. But they found Nigerians returning from abroad often brought back attitudes inappropriate to Nigerian conditions. Workmen trained on the job tended to receive half-hearted instruction.

Thus firms are now setting up their own company schools for both managerial and technical training. "We have to hire separate staff whose sole responsibility is training," says a London-based personnel consultant, "Those

ers by 1985, clearly the Government will not be able to make up the entire training deficit.

This is where private enterprise comes in. Companies requiring skilled staff are increasingly establishing their own training institutes in an effort to plug the manpower gap. "It's not a matter of choosing to train," says a manager of a United Kingdom manufacturing concern in Lagos. "We have to train if we are expected to survive."

Continued on facing page

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Rex Collings reflects on the political influence wielded in the writings of Wole Soyinka and a Special Correspondent argues that the freedom of the press is undermined by journalists' irresponsibility

A passionate voice crying out against corruption

There is in C. S. Lewis's description of the birth of Narnia a passage that runs: "Can you imagine a stretch of grassy land bubbling like water in a pot? For that is really the best description of what was happening. In all directions it was swelling into lumps...lumps moved and swelled till they burst, and the crumbled earth poured out of them, and from each lump there came out an animal...But the greatest moment of all was when the biggest lump broke like a small earthquake and came the sloping back, the large, wise head, and the four baggy-trousered legs of an elephant."

To the outside observer Nigeria's state of independence displayed some of that same attribute of "bubbling like water in a pot". Out from each bubble came a poet, or a playwright, or a musician, or an artist. In the whole world of the arts there was a feeling of tremendous excitement of fecundity, an atmosphere of boundless, constant activity. One was overwhelmed by the number of artists who flourished there, like the old Windmill, their haunts, the Mbari Club never seemed to close.

One of this band was Wole

Soyinka, who in the early sixties was the most promising of the playwrights. The two full-length plays written during this period, *The Lion and the Jewel* and *A Dance of the Forests*, which was published in London and performed as part of the Nigerian independence celebrations in 1960, showed in his writing a passionate hatred of the corruption and backwardness of the political establishment — as a radical he supported Chief Awolowo, the leader of the Action Group, then the main opposition party — and he denounced the activities of the Northern conservatives and their southern allies and hangers on.

The armed "invasion" of the Ibadan broadcasting studio in 1965 and the anti-Government broadcast became something of a cause célèbre. The breakdown, particularly in the Western Region, of law and order, and then the Major's Coup of 1966 put him in a dilemma. He hated military rule and dictatorship, he hated the old corruption and he hated the idea of civil war. The leader of the first coup had a very brief reign, being almost immediately replaced by General Ironsi, the Army Commander, who was soon

to be overthrown in the period leading to the Civil War.

Wole Soyinka has described in his prison memoirs the events that led to his arrest and the experience of his long and mostly solitary confinement — in the introductory note he describes very clearly and succinctly his attitude to public affairs — "the man dies in all who keep silent in the face of tyranny".

Ten years later he writes more specifically about the role of the artist in society, expanding perhaps on the simplicity of the first statement and answering the accusation made in a review that the play in question — *Opera Woyosi* — lacked a "solid class perspective".

"Art", he writes, "should expose, reflect, indeed magnify the decadent, rotten, underlying of a society that has lost its direction, jettisoned all sense of values and is careering down a precipice as fast as the latest artificial boom can take it". And of the writer's (his) role, he writes: "At the foundation will be found an uncompromising concern for the social values of literature, a recognition of the limitations and its potential, and an assertion of the writer's role as being merely

complementary to that of the politician, sociologist...not one which can usurp one or all of these roles in entirety without forfeiting its own claim to a distinctive vocation."

How, then, does this man fit into the present-day Nigeria? Practically, he has been extremely influential, the driving force in the formation and running of the Oyo State road safety corps.

For the first time he has left the sidelines and joined a political party, not as might have been expected, the United Party of Nigeria, the party of his old friend and mentor Chief Awolowo — the successor party to the Action Group — but to the radical section of the People's Redemption Party.

He sees this as the most effective way of attacking the corruption that he believes is so rife in central government. Very much, too, he sees the need for an authentic African voice to denounce the tyrannies of Africa — whether black or white.

Internally, too, Wole Soyinka has used, and still uses, his great moral authority to condemn such affronts to civilized standards as the public executions that not so many years ago were



Wole Soyinka: "Art should expose, indeed magnify the decadent underbelly of society"

held on the Lagos beaches. He had fought for the rights and independence of students and the universities.

It is not as an unacknowledged legislator that he sees his role and responsibility as a poet, but rather as a voice of reason and conscience in a country where sudden and great wealth and unfettered power has tended to ignore the one and stifle the other. His commitment to his country is total — why else is he so affronted by the defects of its leaders? His local roots are a strong fact in his recently published autobi-

ography *Ake: The Years of Childhood*. What will happen next? In this period before the next general election will the poet be submerged by the party politician — it will be fascinating to observe the *Metamorphosis* of Wole Soyinka to see whether the writer's distinctive vocation will survive.

The Magician's Nephew, London 1955 (pp110-111) Preface to *Opera Woyosi*, London 1981 — the play was first performed at the University of Ife in December 1977. It is an adaptation of *The Beggar's Opera*.

continued from facing page

expatriate instructors should both train staff and, equally important, train Nigerian instructors to take over once the expatriate crew has left.

Companies often find they must establish elaborate training programmes for even the most rudimentary tasks. Because many workers grew up in villages lacking even a water tap, they can be unfamiliar with the most basic technical concepts. They must therefore be taught skills that Western youngsters learn in the playpen. This does not reflect Nigerian stupidity, but rather inexperience with industrial society. Even when the workers are fully trained, difficulty with technical problems brings productivity down to about 60 per cent or 70 per cent of developed world standards.

Managerial training has moved ahead more smoothly. "We are having an easier time finding managers now than we did five years ago", says the (Nigerian) marketing manager of a foreign glass manufacturing concern in Lagos. "But they are all new recruits and we still lack experienced Nigerian personnel."

Successful company training programmes for both managers and workers also suffer from widespread inter-company poaching. "Out of every two people we train we keep only one for more than a year", says a firm particularly annoyed with this problem. Companies have tried to retain workers through bonding, but this is seen as bordering on "involuntary servitude" and is highly unpopular.

The Nigerian Government strongly encourages com-

pany in-house programmes, and indeed makes approval of foreign firms' expatriate quotas contingent upon the quality of the training programme for Nigerians. In addition, each company must contribute a levy to the Government's industrial training fund. A parastatal organization, the Centre for Management Development, inspects all in-house training and can authorize refunds of up to 60 per cent of this levy on approval of the company efforts.

The CMD also provides education and training assistance directly. Run by a committee of representatives from universities, government ministries, chambers of commerce and employers' organizations, the CMD coordinates the vast assortment of public and private schemes, and develops management training curriculum.

Most companies accept the training responsibility as part of a Nigerian investment. "In a sense we can consider it part of our marketing or public relations campaign, as well as an industrial necessity," says one training specialist.

Shortage of managerial and technical skills will undoubtedly remain a serious constraint on economic development in Nigeria for the medium term. Ambitious training programme will founder, and government funds will continue to be unpredictable. But clearly both the public and private sectors have recognized that training is crucial to future development, and light is visible at the end of the shortage of skills tunnel.

Gillian Gunn

His master's voice instead of a watchdog

Nigerians often boast that they have the freest press in Africa. This is true in the sense that there are newspapers that feel able to criticize the Government in the strongest terms, often abusing and insulting the President and making serious allegations against senior members of his government.

However, it is often alleged with some truth that Nigerian journalism, though free, is not independent; that is, that most newspapers follow a party line and that most journalists do as they are told rather than exercise their own judgment.

President Shagari and other leaders of his National Party of Nigeria have often expressed their commitment to the freedom of the press. But concern has recently been caused by the arrest of some editors after publication of allegedly false accusations against the President (these cases are still sub judice) and by allegations of pressure being exerted on broadcasting journalists and on the *Daily Times* to toe a party line.

The Nigerian press played a proud part in the struggle for independence and it also managed to maintain a degree of self-respect during military rule from 1966 to 1979. There were instances of journalists being beaten up by soldiers and the newspapers were under tremendous pressure. But they maintained some freedom to criticize.

When the time came to draw up a civilian constitution much debate was given to the question of whether there should be a constitutional guarantee of freedom for the press. The Constituent Assembly finally decided that the rights of freedom of expression given to every citizen were enough to cover the needs of newspapers too.

Statesman of Owerri and the *Tide of Port Harcourt*.

The case of the *Daily Times* is interesting if highly controversial. The paper is 60 per cent government-owned. President Shagari, during his presidential campaign, gave some support to proposals that it should be returned entirely to private hands, but this proposal was dropped after he came to power.

Since then the board has been completely reconstituted, the editor changed and a large number of senior men employed, many leaving the company as a result. Many saw this attempt to make the paper a more consistent supporter of the ruling National Party of Nigeria, though this is vigorously denied by the party and the new *Daily Times* men.

Loss of morale and circulation

However, one undoubted result has been a serious loss of morale by the journalists left on the paper. It has also lost circulation and has lost money this year. (Most Nigerian newspapers are losing money, but the *Daily Times* has wide outside interests and has up to now recorded big yearly profits. There are special circumstances, however, including big expenditure on a new printing plant.)

The Governor of Lagos State, Alhaji Lateef Jakande, is a political opponent of the National Party of Nigeria and so his views are obviously partisan. But he is also a former journalist and speaks with authority on these matters. He said in a recent speech: "The *Daily Times*, which should be the leader of the mass media in objective journalism, has performed disgracefully in the past eighteen months. I am sure that the great journalists who laboured to build up a reputation for the *Daily Times* must feel distressed that in their lifetime what they built is now being destroyed by their successors."

More generally, the shortcomings of Nigerian journalism come largely from the fact that it is not a highly-regarded profession in Nigeria. Men of quality find they can make more money and gain more status in other sectors. Journalists are often regarded as little more than messengers, carrying handouts back to be published. There is a distressing custom at political press conferences of handing the reporters envelopes containing money on the way out.

The matter was summed up in an article in *West Africa* by Abraham Obaze of the Department of Mass Communication, University of Nigeria. He wrote that the Nigerian journalist was rarely objective. "He is his master's voice. He is supposed to approach information sources with maturity, because of his role as the watchdog of society. He is instead under the heavy thumb of the 'big brothers'. How can the ordinary man of this country form a valid opinion about events or discuss what is good and what is bad if the watchdog, though he is not harassed or shackled, will not even bark or bite? How can we the journalist refuse to accept his responsibility but continues to lick the boots of the powers that be?"

15 dailies and many weeklies

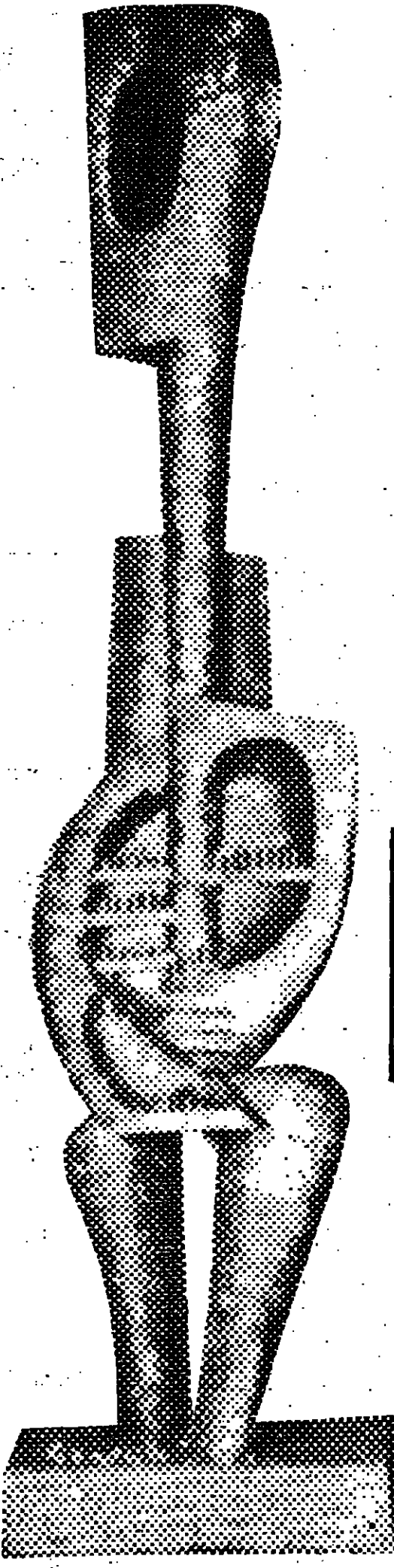
There has been a boom in newspaper growth since the return to civilian rule in 1979, with over 15 daily newspapers now being published and a proliferation of weeklies and magazines.

The most important are: the *Daily Times*, of which more later, the *New Nigerian*, published in Kaduna and regarded as the voice of the northern establishment, wholly owned by the Federal Government but one of the most serious and intellectually independent of the papers; the *Tribune*, the voice of Chief Awolowo's Unity Party of Nigeria, published in Ibadan and untrustingly critical and irresponsible; the *Chronicle* of the ruling party; the *National Concord*, published since March, 1980, by the wealthy Chief M. K. O. Abiola, a newspaper totally committed to the ruling party but employing many of the stars of Nigerian journalism and most intelligently produced; *Punch*, published in Lagos and almost the only politically independent newspaper, very bright and popular with scantily clad girls on page three.

There are also newspapers appealing mostly to the regions in which they are published, such as the *Daily Sketch* of Ibadan, the *Daily Star* of Enugu, the *Herald* of Calabar, the *Observer* of Benin City, the *Standard* of Jos, the

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Reserves	64,312	47,597	Investments	82,314	39,883
Deposits etc.	2,407,218	1,576,225	Loans & Discounts	1,268,844	850,948
Contra A/cs.	918,348	772,169	Contra A/cs	918,348	772,169
Total	3,419,878	2,425,991	Total	3,419,878	2,425,991

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NIGERIA

The port of Lagos achieved notoriety in the late 1970s through bottlenecks caused by the oil boom. David Hilling suggests ways in which the system could be streamlined

The Tin Can stopgap

In Nigeria, as elsewhere, there is the problem of matching the supply of port facilities to the demand. Port structures take time to plan and construct and have a very long life. Yet trade patterns can change rapidly. For Nigeria, as for other developing countries, there is the additional problem of trying to provide basic port facilities at a time when maritime transport technology is undergoing rapid transformation with conventional labour-intensive cargo handling methods being replaced by unitization in various forms.

There are crucial questions relating to the choice of technology and timing its implementation. Mistakes will be costly and Nigeria will have to live with them for a long time.

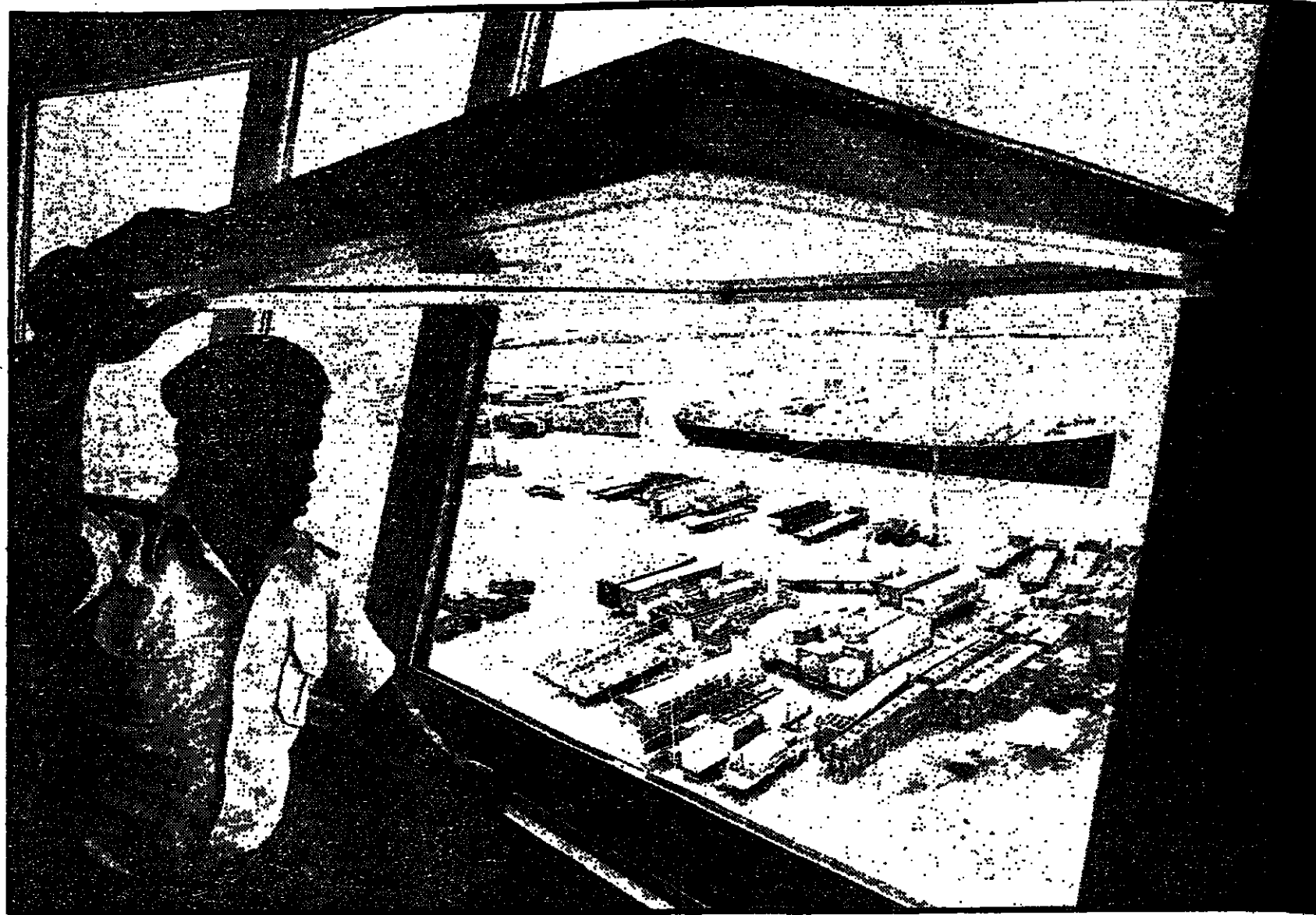
There had been a gradual expansion of port facilities during the 1950s and 1960s and plans were in hand for a third extension at Apapa when the oil revenue increases of 1973/74 sent Nigeria on a spending spree. Shipping space was readily available to satisfy the dramatic increase in demand for consumer and producer goods including the excessive purchase of cement which for the problems it created, has claimed a place in maritime history. The ports could not immediately meet these new demands and by 1976 more than 400 vessels waited for berths.

The reaction to this crisis was to maximize mid-stream cargo handling into lighters, provide lighterage quays, develop roll-on/roll-off services and embark on a massive investment programme for additional deep-water berths. In consequence Nigeria's trade leapt from 4,400,000 tonnes in 1974-75 to 11 million tonnes in 1978-79.

Lagos-Apapa handled some 70 per cent of the national trade and not surprisingly two major expansion projects, the ten berth Tin Can Island scheme and the six berth Apapa extension, were located at the capital. Completed in only 17 months, the Tin Can Island complex has been described as a "short term solution to a long term problem" and may be criticized for being a rather conventional general cargo facility which falls far short



Left, dockers at new Calabar port complex; above and right, Tin Can Island port, which, like Warri and Calabar, is hampered by an absence of rail links.



Left, dockers at new Calabar port complex; above and right, Tin Can Island port, which, like Warri and Calabar, is hampered by an absence of rail links.

of the ideal for unitized cargo. Container movements through Nigerian ports increased from 27,466 units in 1974-5 to 149,237 units in 1978-9 and 90 per cent of this traffic is through Apapa where the 33 ha of land at the new extension is grossly inadequate for efficient container handling, out-of-port stacking is deficient and hinterland links create problems.

There has been some attempt to spread the load and considerable expansions to berths at Warri, Port Harcourt and Calabar have enabled them to increase their share of trade to 35 per cent.

Yet ports can only be as good as their hinterland links permit. The roads in and around Lagos-Apapa have been greatly improved but evacuation routes still create problems. Tin Can Island has no rail link and the Apapa extension suffers from congested access roads. Warri and Calabar have no rail links and the latter's ability to

offer relief to hard pressed Port Harcourt is severely restricted by the lack of hinterland routes.

For several decades Nigeria's railway system had been of declining importance for freight movement but if the ports are to meet the demands of the container age the railways must help. There are signs of improved management, some new facilities and rolling stock and plans for the conversion of some main lines from 3ft 6in to standard gauge. At Kano a rail served inland container terminal has been built and provides Customs clearance service thereby allowing containers to transit more rapidly through the ports. The Peugeot assembly plant at Kaduna, for long receiving its components by air, now depends on containers railed from Apapa, a route previously thought impracticable because of port problems.

Road vehicles are often far from satisfactory for the efficient handling and rapid movement of freight. There has been some increase in

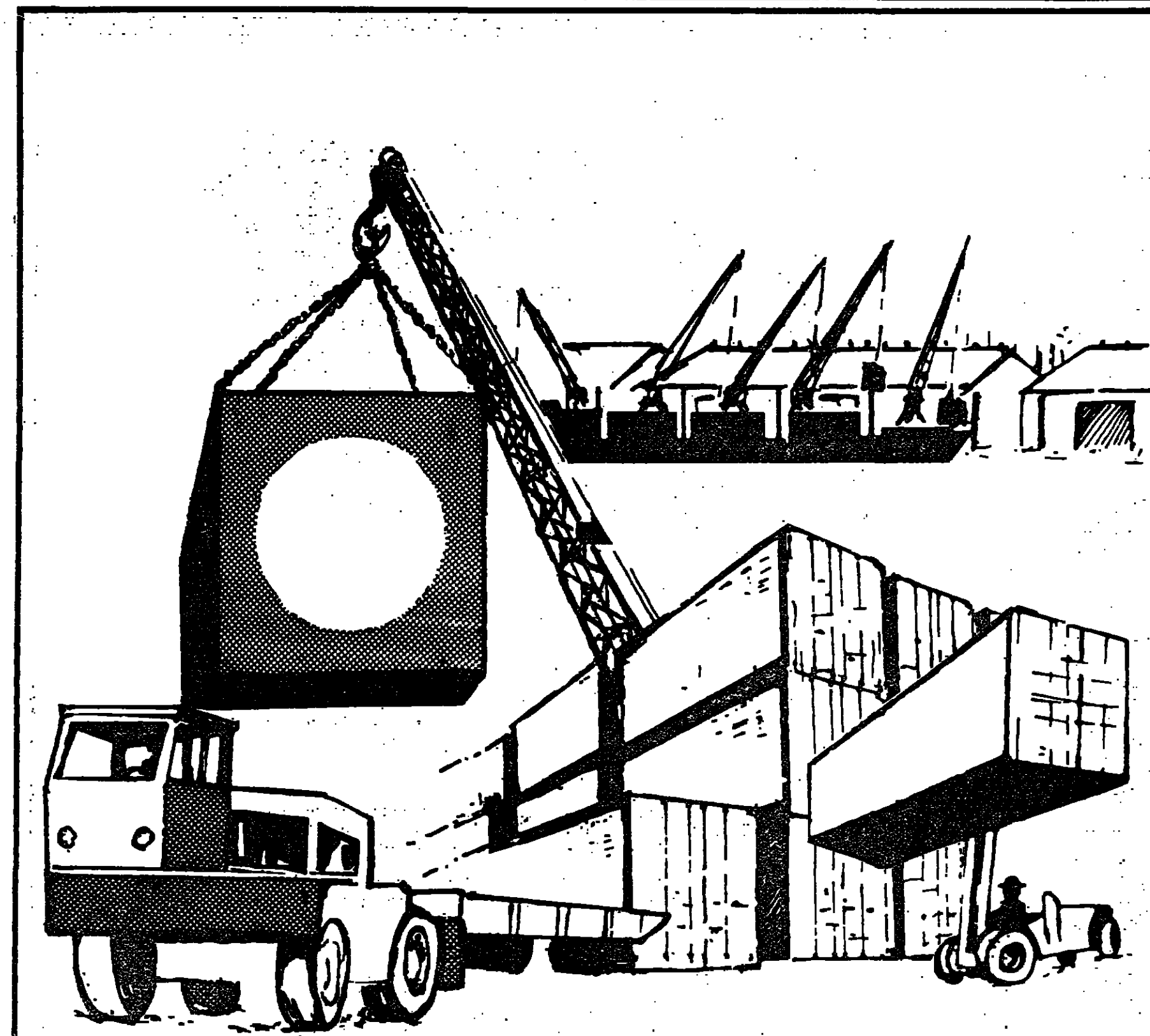
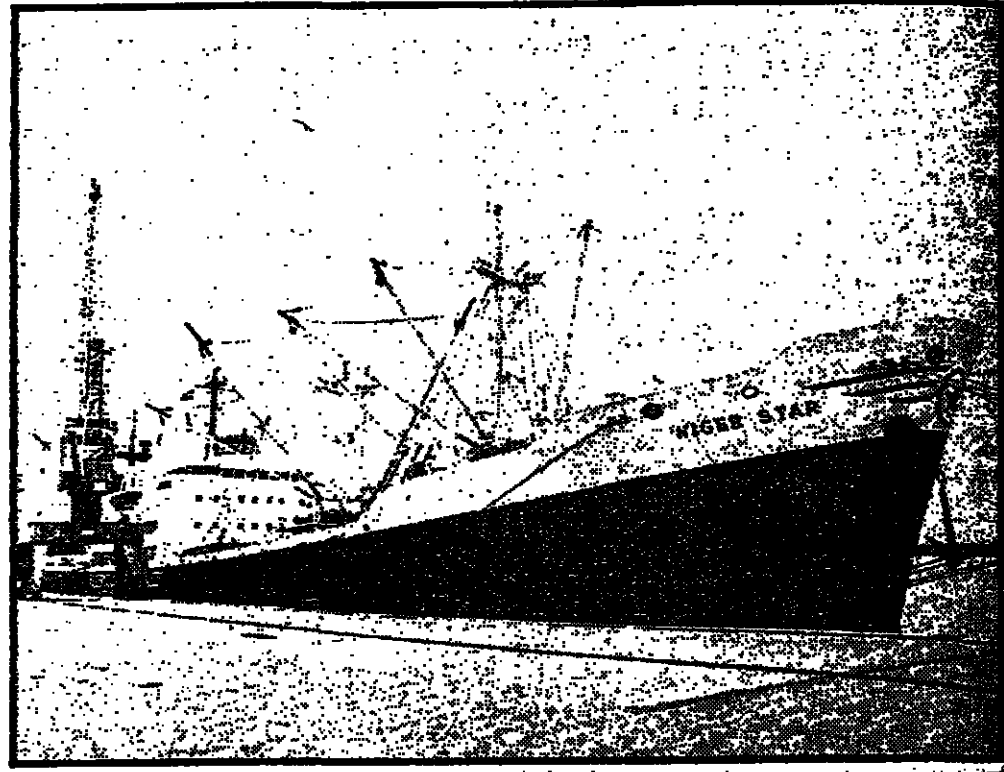
the number of flat-bed trailers but many of the traditionally favoured lorries have fixed sides and are tail loading which makes them particularly unsuited for the movement of unitized freight and can slow down the whole cargo handling process at the port.

The Central Water Transportation Company and Government are trying to rejuvenate an inland waterways system that had been allowed to decline. The Niger River is being dredged to provide 1.8m depth to Lokava at all seasons and the recent delivery of four advanced pusher-tugs could herald a new era for standard gauge. At Kano a rail served inland container terminal has been built and provides Customs clearance service thereby allowing containers to transit more rapidly through the ports. The Peugeot assembly plant at Kaduna, for long receiving its components by air, now depends on containers railed from Apapa, a route previously thought impracticable because of port problems.

Left, dockers at new Calabar port complex; above and right, Tin Can Island port, which, like Warri and Calabar, is hampered by an absence of rail links.

The efficiency and therefore capacity of the existing ports could be vastly increased by greater attention to such problems and more investment in port hinterland and links and support facilities. This could well pay greater dividends than the proposed massive port construction projects at Onne, south of Port Harcourt, and Ocean Terminal, east of Lagos. As many other nations are now finding, unitization places a premium on the quality and not the quantity of berths — Nigeria could find itself with too many berths of the wrong type and in the wrong places.

The author is senior lecturer in Geography at Bedford College, University of London.



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Lagos is a city of crime on occasions, whole streets have been barricaded as armed robbers have systematically pillaged an entire stream of traffic, elsewhere a complete neighbourhood has been laid bare. A certain

Grinning faces, bodies doubling up with laughter and ecstatic exclamations — this is the uninhibited style of the Lagosian. Not for him the reserve of the Islamic

Karan Thapar

Karan Thapar

A capital idea comes true

much to be done before what is now little more than a muddy and churned-up building site becomes a habitable

from the city centre, which contains the National Assembly, government, institutional and local administrative

Kenneth Mackenzie

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1010 spectrophotometer. The concentration of chlorophylls was expressed in $\mu\text{g mL}^{-1}$ of the sample.

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Kenneth Mackenzie

In the city where deals are settled by handshake

When Leo Africanus visited Kano in the early sixteenth century, he wrote: "In the middle of the province stands a town called by the same name. The walls and houses hereof are built for the most part with baked clay and the inhabitants are rich merchants and the most civil of people."

Although today Kano extends far beyond those ancient walls, the old city remains the thriving, throbbing and hospitable heart of perhaps the most famous of the seven true Hausa states" of yore. Stories of early Kano and its traditional leaders, such as Dala, a chieftain of very early times, are described in a famous chronicle. He, for example, was said to have been a "black man of great stature and might" who killed elephants with his stick and carried them on his head for nine miles.

Similar claims are made today by many a northern businessman. Surprisingly, many such can merit credible enquiry. Business methods, however, do differ. Large sums often change hands in cash for instance. But as for confidence — even bravado — still breeds on the traditions of the ancient city. These are the hunters who became the capital of the state of Kano nearly a thousand years back and the introduction of Islam some six and a half centuries ago.

Islam is a vital constituent of Kano's vibrant life and society. It is not at first smooth, since at the beginning of the fifteenth century, the local people blamed it for a defeat at the hands of nearby Zaria, but with the blossoming of trans-Saharan trade its establishment was inevitable. Muslim teachers invariably accompanied merchants and often were merchants themselves. Itinerant preachers are still greatly respected. And the Kano environs today represent perhaps the most significant concentration in the whole of Islamic West Africa.

The population of Kano has long been mainly Hausa but an important minority claim descent from original Fulani inhabitants. The city itself is composed of about a hundred *wurru* (hamlets) each with its own mosque and usually a market. The oldest surviving building is probably the Emir's palace which dates from the fifteenth century. The great central mosque, largely rebuilt in 1951, claims to be the largest in Nigeria. But it is not of course just the city walls, the mosques and the palaces of the Fulani Emirs, that are steeped in history. Significantly, so too are the markets and trade routes. Islamic laws and customs are still followed.

Traditional trade routes decline

Kano city and the surrounding area have survived a turbulent history, being at times tributary to Bornu and suffering too at the hands of Zaria and Katsina. But at the beginning of the last century Kano was captured by the forces of the famous militant mallam Usman dan Fodio, who led the Fulani in a *Jihad* against their Hausa overlords. It was one of his pupils who was to become the first Emir of Kano and found the present dynasty.

By the end of the nineteenth century, however, due perhaps to the ending of the slave trade and growing European commercial control of the West African coast, traditional trade routes across the Sahara declined in importance. And Kano with them. Even so it was quite late in the scramble for Africa that the city fell to a British military expedition. In 1903 the British captured Kano and they created Kano Province soon afterwards. It encompasses an important area of 16,530 square miles of wooded savannah degenerating into scrub in the north. The light sandy soils are particularly good for groundnuts, but cotton, onions, tobacco, millet and gum-arabic are also produced. Cassava, maize, beans and guinea corn are the main subsistence crops. Livestock are to be found universally.

The British initiated the famous era of "indirect rule". One effect was that the rich indigenous culture — not a museum culture, it is very dynamic — nevertheless remained largely undisturbed by the colonial overlay. Kano city has remained renowned for the vigour of its rulers and the commercial and industrial skills of its people.

In addition to the traditional indigo dye industry — some of the dyeing pits are hundreds of years old — hides and skins and cattle on the hoof are important to the internal commerce of the whole of northern and central Nigeria. The trade in tanned and worked leather — particularly red goatskin, often misnamed "Moroccan leather", is world famous. Groundnuts, traditionally sacked and stacked in pyramids, have become a favourite subject of photographers. Dairying and meat canning are also important and the confectionery industry is growing.

Light manufacturing industry has developed, including



A sixteenth century visitor's description of Kano as a city "built with baked clay" is still recognizable in this view of the old town.

the manufacture of steel furniture, footwear and soap. There are printing presses, an abattoir and bone-crushing plant and there have recently been expansions in the areas of refrigeration, tyre re-treading and brewing; all these, in addition to the traditional dyeing, leather tanning and decorative metal work, pottery, mat making and tailoring.

Iron, tin and columbite are mined and there are limited uranium deposits in the south which have yet to be exploited. The single-track railway which reached Kano in 1912 connects with Port Harcourt and Lagos. The city has a major airport with international and local connections.

In Kano today there are several hospitals and maternity clinics, a medical and dental centre, government, Christian and Muslim secondary schools. Abdullahi Bayero College, established in 1960, became a branch of the university at Zaria in 1961 but has since attained full university status. There are also schools of Islamic law, teacher training institutes, technical and commercial colleges and an agricultural institute.

The more traditional aspects and the tensions within Kano's deeply Islamic society drew world attention in December 1980. Fundamentalists from an Islamic sect

virtually declared an area of the city their private republic. The sect was led by a mallam, "Maitatsine" or Muhammadu Marwa, so named because he originated from the town of that name in northern Cameroon. His followers initiated a reign of terror involving the expropriation of property, the murder of opponents and attacks even on the police. On December 18, virtual civil war broke out between this sect and other Muslim citizens whom they nevertheless regarded as unbelievers. This resulted from an attempt to seize the main mosques and occupy and close government schools and other centres.

After a week of fighting, which the police were unable to contain, the state Governor, Al Haji Abubakar Remi, eventually appealed to the President for help. The Nigerian army and the air force took over and within two or three days troops had put down the rebellion and order was restored. But not before 4000 people had died.

It is apparent from the enquiry report into the riots, conducted by Mr. Justice Anigololu and published about a year later, that top officials in Kano State were not unaware of the serious developments that were taking place in the city but that at high levels they displayed hesitation and indecision. In the event, initial impulses to

blame foreign conspiracies for the tragedy proved unfounded — as they nearly always do in Nigeria and elsewhere.

It is often said that those who do not study history are condemned to repeat it. In an ancient city, so rich in history as Kano this might seem particularly relevant. Perhaps the learned judge's enquiry into the Kano riots — to say nothing of the deaths and injuries — might have been avoided had the governor, the police chiefs and the local head of the often rather arbitrary National Security Service studied Shaikh Muhammad al-Majhili — the famous Algerian theological preacher and jurist.

Writing of Kano at the end of the fifteenth century, he commented, not only that its leaders should "cherish the land from the spilling drought, from raging winds and dust laden storms, from thunderclaps, flashing lightning, shattering fireballs and the beating rain", but added: "Kingdoms are held by the sword not by delays". Frested Shaka Shagari clearly understood that. But then he is a renowned Hausa scholar.

Richard Greenfield

The author was formerly Dean of Arts and Social Sciences at the University of Benin, Nigeria.



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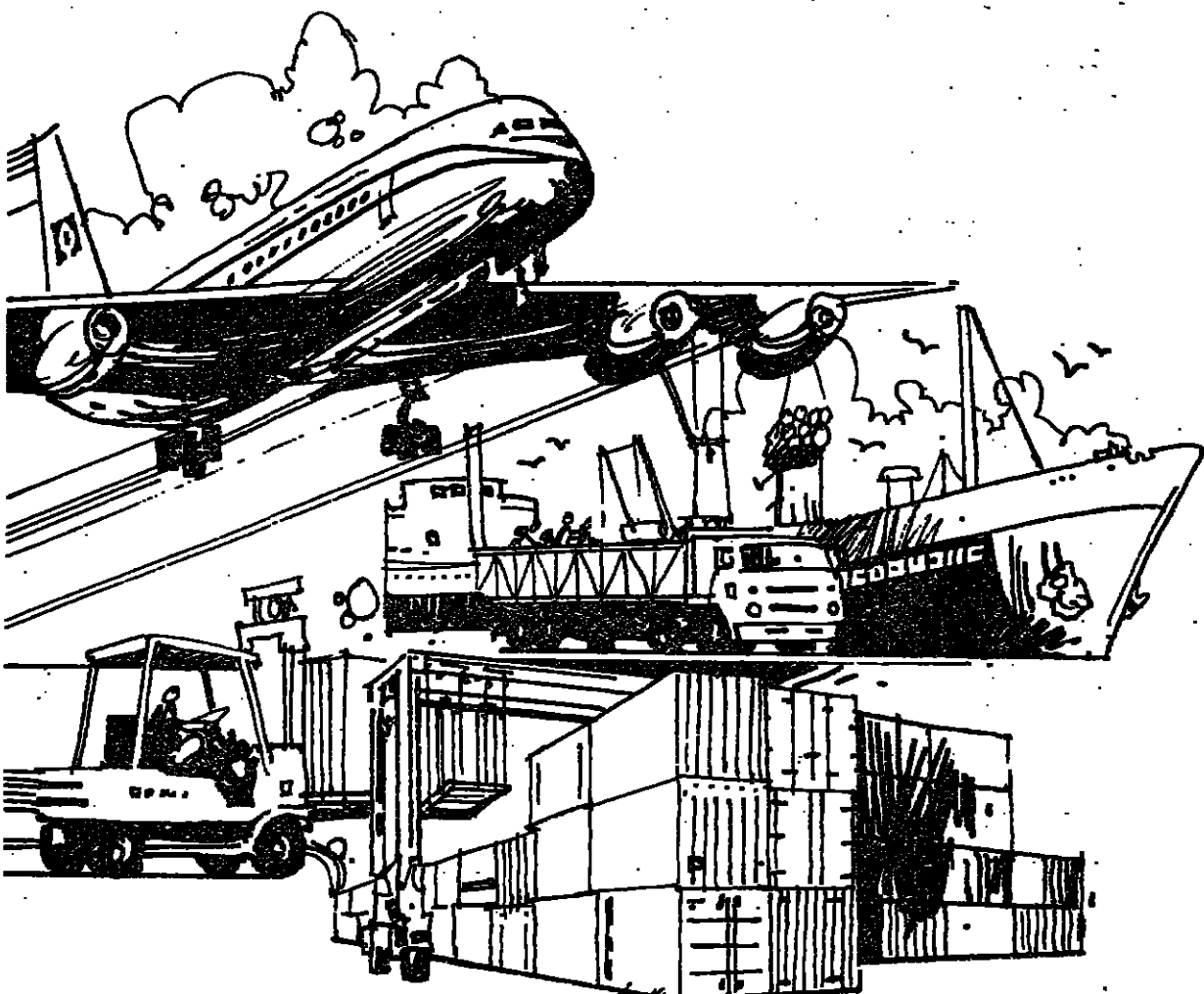
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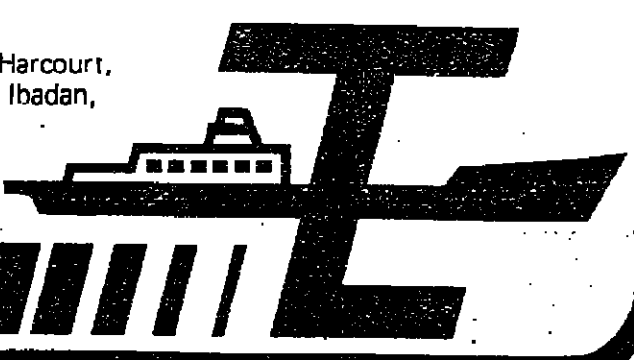
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